

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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

INDEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

36-3555336
(I.R.S. Employer
Identification No.)

630 DUNDEE ROAD,
NORTHBROOK, ILLINOIS
(Address of principal executive offices)

60062
(Zip Code)

Registrant's telephone number: (847) 498-7070

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF
EACH CLASS
NAME OF
EACH
EXCHANGE
ON WHICH
REGISTERED

- COMMON
STOCK, PAR
VALUE \$.01
PER SHARE
NEW YORK
STOCK
EXCHANGE
CHICAGO
STOCK
EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

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 NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of
IDEX Corporation as of December 31, 2001 was \$731,491,356.

The number of shares outstanding of IDEX Corporation's common stock, par
value \$.01 per share (the "Common Stock"), as of January 31, 2002 was 30,748,819
(net of treasury shares).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2001 Annual Report to Shareholders of IDEX Corporation (the
"2001 Annual Report") are incorporated by reference into Parts I and II of this
Form 10-K and portions of the definitive Proxy Statement of IDEX Corporation

(the "2002 Proxy Statement") with respect to the 2002 annual meeting of
shareholders are incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

IDEX Corporation ("IDEX" or the "Company") manufactures an extensive array of proprietary, engineered industrial products sold to customers in a variety of industries around the world. The Company believes that each of its principal business units holds the number-one or number-two market share position in each unit's niche market. IDEX believes that its consistent financial performance has been attributable to the manufacture of quality proprietary products designed and engineered by the Company, coupled with its ability to identify and successfully integrate strategic acquisitions. IDEX consists of three reportable business segments: Pump Products Group, Dispensing Equipment Group, and Other Engineered Products Group.

PUMP PRODUCTS GROUP

The Pump Products Group designs, produces and distributes a wide variety of industrial pumps, compressors, flow meters and related controls for the movement of liquids, air and gases. The devices and equipment produced by this Group are used by a large and diverse set of industries, including chemical processing, machinery, water treatment, medical equipment, Liquid Petroleum distribution, oil and refining, and food and drug processing. In 2001, the six business units that comprised this group were Gast Manufacturing, Liquid Controls, Micropump, Pulsafeeder, Viking Pump, and Warren Rupp. The group accounted for 59% of sales and 61% of operating income in 2001, with 37% of sales shipped to customers outside the U.S.

Gast Manufacturing. Gast Manufacturing (Gast), acquired in 1998, is a leading manufacturer of air-moving products with an estimated one-third U.S. market share in air motors, low- and medium-range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast's products are used in applications requiring a quiet, clean source of moderate vacuum or pressure. Gast's primary markets served are medical equipment, environmental equipment, computers and electronics, printing machinery, paint mixing machinery, packaging machinery, graphic arts and industrial manufacturing. Gast is based in Benton Harbor, Michigan, with an additional operation in England. Approximately 20% of Gast's 2001 sales were to customers outside the U.S.

Liquid Controls. Liquid Controls, acquired in January 2001, is a leading manufacturer of positive displacement flow meters and electronic registration and control products with an estimated one-third market share in its U.S. markets. Applications for its products include mobile and stationary metering installations for wholesale and retail distribution of petroleum and Liquid Petroleum gas, aviation refueling, and industrial metering and dispensing of liquids and gases. Liquid Controls is headquartered in Lake Bluff, Illinois, with additional operations in Italy and India. During 2001, the Company decided to operate its previously acquired Corken business unit as part of Liquid Controls. Corken, based in Oklahoma City, Oklahoma and acquired by IDEX in 1991, is a leading producer of positive displacement rotary vane pumps, single and multistage regenerative turbine pumps, and small horsepower reciprocating piston compressors. Approximately 50% of Liquid Controls' sales were to customers outside the U.S.

Micropump. Micropump, acquired in 1995, is a leader in small, precision-engineered, magnetically and electromagnetically driven rotary gear, piston and centrifugal pumps with an approximate 40% U.S. market share. Micropump's products are used in low-flow abrasive and corrosive applications. Micropump serves markets including printing machinery, medical equipment, chemical processing, pharmaceutical, refining, laboratory, electronics, pulp and paper, water treatment and textiles. Micropump has its headquarters facility in Vancouver, Washington, and also has operations in England. In April 2000, IDEX acquired Ismatec SA. Ismatec is a leading manufacturer of peristaltic metering pumps, analytic process controllers, and sample preparation systems. Headquartered near Zurich, Switzerland, the business operates as part of Micropump and provides Micropump with entry into scientific R&D markets including pharmaceutical, medical, biotech and institutional laboratory. In May 2000, IDEX acquired Trebor International, which also now operates as part of Micropump. Trebor is headquartered in Salt Lake City, Utah, and is a leader in high-purity fluid handling products, including air-operated diaphragm pumps and deionized water-heating systems. Its products

are used to make semiconductors, disk drives and flat panel displays. Approximately 65% of Micropump's 2001 sales were to customers outside the U.S.

Pulsafeeder. Pulsafeeder, acquired in 1992, is a leading manufacturer of metering pumps, special purpose rotary pumps, peristaltic pumps, electronic controls and dispensing equipment with an estimated one-third U.S. market share. Pulsafeeder's products are used to introduce precise amounts of fluids into processes to manage water quality and chemical composition. Pulsafeeder's markets include water and wastewater treatment, power generation, pulp and paper, chemical and hydrocarbon processing and swimming pools. This business is headquartered in Rochester, New York, with additional operations in Punta Gorda, Florida. Knight Equipment International was acquired in 1997 and is operated as part of the Pulsafeeder business unit. Knight, headquartered in Lake Forest, California, also has additional operations in The Netherlands. Knight is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering. In 2001, approximately 30% of Pulsafeeder's sales were to customers outside the U.S.

Viking Pump. Viking Pump is one of the world's largest internal gear pump producers. In the U.S., it has an estimated 40% of the rotary gear pump market. Viking also produces lobe and metering pumps, strainers and reducers, and related controls. These products are used for transferring and metering thin and viscous liquids. Markets served by Viking include chemical, petroleum, pulp and paper, plastics, paints, inks, tanker trucks, compressor, construction, food, beverage, personal care, pharmaceutical and biotech. Viking operates two foundries that supply a majority of Viking's castings requirements and also sells a variety of castings to outside customers. Viking is based in Cedar Falls, Iowa, with additional operations in Canada, England and Ireland. Approximately 30% of Viking's 2001 sales were to customers outside the U.S.

Warren Rupp. Warren Rupp is a leading producer of double-diaphragm pumps, both air-operated and motor-driven, and accessories with an estimated 30% U.S. market share. Warren Rupp's products are used for abrasive and semisolid materials as well as for applications where product degradation is a concern or where electricity is not available or should not be used. This business serves markets including chemical, paint, food processing, electronics, construction, utilities, mining and industrial maintenance. Warren Rupp is based in Mansfield, Ohio, with additional operations in England. Blagdon Pump, located in England, was acquired in 1997 and is also operated as part of the Warren Rupp business unit. Versa-Matic Tool, Inc. (Versa-Matic) was acquired in June, 2001 and is operated as part of Warren Rupp. Headquartered in Export, Pennsylvania, Versa-Matic is a leading manufacturer and distributor of air-operated double-diaphragm pumps and pump replacement parts. Approximately 50% of Warren Rupp's sales were to customers located outside the U.S.

DISPENSING EQUIPMENT GROUP

The Dispensing Equipment Group produces highly engineered equipment for dispensing, metering and mixing colorants, paints, inks and dyes; refinishing equipment; and centralized lubrication systems. This proprietary equipment is used in a variety of retail and commercial industries around the world. These units provide equipment, systems, and service for applications such as tinting paints and coatings; providing industrial and automotive refinishing equipment; and the precise lubrication of machinery and transportation equipment. In 2001, the three business units that comprised this group were FAST, Fluid Management, and Lubriquip. The group accounted for 19% of sales and 14% of operating income in 2001, with 57% of sales shipped to customers outside the U.S.

FAST. The Company acquired FAST S.p.A. (FAST) in June, 1999. FAST is a leading European manufacturer of precision-designed tinting, mixing, dispensing and measuring equipment for refinishing, architectural and industrial paints, inks, dyes, pastes and other liquids. Management estimates that FAST has a 20% European share of the architectural and refinishing equipment markets. FAST's products are used for the precise and reliable reproduction of colors based on paint producers' formulas. Through architectural, refinishing and industrial paint producers, precision equipment is supplied to retail and commercial stores, home centers, and automotive body shops. Approximately 95% of FAST's sales in 2001 were to customers outside the U.S. FAST is based in Milan, Italy.

Fluid Management. Fluid Management, acquired in 1996, is the market leader in automatic and manually operated dispensing, metering and mixing equipment for the paints and coatings market with an

estimated 50% worldwide market share. Fluid Management's products are used for the precise blending of base paints, tints and colorants, and inks and dyes. Fluid Management's markets include retail and commercial paint stores, hardware stores, home centers, department stores, printers, and paint and ink manufacturers. Fluid Management is based in Wheeling, Illinois. Additional operations are located in The Netherlands and Australia. Approximately 55% of Fluid Management's 2001 sales were to customers outside the U.S.

Lubriquip. Lubriquip is a market leader in centralized oil and grease lubrication systems, force-feed lubricators, metering devices, related electronic controls and accessories with an estimated 25% share of the U.S. market for centralized oil lubrication systems. Lubriquip's products are used to prolong equipment life, reduce maintenance costs and increase productivity. Lubriquip serves markets including machine tools, transfer machines, conveyors, packaging equipment, transportation equipment, construction machinery, food processing and paper machinery. Lubriquip is headquartered in Warrensville Heights, Ohio, with an additional operation in Madison, Wisconsin. Approximately 20% of Lubriquip's sales in 2001 were to customers outside the U.S.

OTHER ENGINEERED PRODUCTS GROUP

The Other Engineered Products Group manufactures engineered banding and clamping devices, fire fighting pumps, rescue tools, and other components and systems for the fire and rescue industry. The high-quality stainless steel bands, buckles and preformed clamps and related installation tools are used in a wide variety of "hold-together" industrial and commercial applications. The group also includes the world's leading manufacturer of truck-mounted fire pumps, rescue tool systems, and control devices and systems used by public and private fire and rescue organizations. In 2001, the two units that comprised this group were Band-It and Hale Products. The group accounted for 22% of sales and 25% of operating income in 2001, with 41% of sales shipped to customers outside the U.S.

Band-It. Band-It is a leading producer of high-quality stainless steel bands, buckles and clamping systems with an estimated 45% worldwide market share. Band-It's products are used for securing hose fittings, signs, signals, pipes, poles, electrical shielding and bundling and numerous other industrial and commercial applications. Signfix was acquired in 1993 and is being operated as part of the Band-It business unit. Band-It's markets include transportation equipment, oil and gas, industrial maintenance, electronics, electrical, communications, aerospace, traffic and commercial signs. Band-It is based in Denver, Colorado, with three additional operations in England and one in Singapore. In 2001, approximately 60% of Band-It's sales were to customers outside the U.S.

Hale Products. Hale Products (Hale), acquired in 1994, is a leading manufacturer of truck-mounted fire pumps and rescue systems with an estimated 50% worldwide market share. Hale's products include the Hurst Jaws of Life(R) and Lukas(R) rescue tool systems. Hale's pumps are used to pump water or foam to extinguish fires; its rescue equipment is used to extricate accident victims; and its forced entry equipment is used for law enforcement, disaster recovery, and recycling. Hale's markets include public and private fire and rescue organizations. Lukas was acquired in 1995 and is operated as part of the Hale business unit. Hale is headquartered in Conshohocken, Pennsylvania, with additional operations in Shelby, North Carolina, St Joseph, Tennessee, England and Germany. In January 2001, IDEX acquired Class 1, headquartered in Ocala, Florida, which now is also operated as part of Hale. Class 1 is a leading supplier of components and systems to the fire and rescue vehicle market. Its primary products include electronic information controls, engine information systems, electronic multiplexing units, electrical monitoring equipment and systems and fire truck mechanical components. Approximately 35% of Hale's 2001 sales were to customers outside the U.S.

GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS GROUPS

COMPETITORS

The Company's businesses participate in highly competitive markets. Generally, all of the Company's businesses compete on the basis of performance, quality, service, and price.

Principal competitors of the businesses in the Pump Products Group are the Blackmer division of Dover Corporation (with respect to rotary gear pumps, and pumps and small horsepower compressors used in liquified petroleum gas distribution facilities); Milton Roy, a division of United Technologies Corporation (with respect to metering pumps and controls); Roper Industries and Tuthill Corporation (with respect to rotary gear pumps); Wilden Pump and Engineering Co., a division of Dover Corporation (with respect to air-operated double-diaphragm pumps); and Thomas Industries (with respect to vacuum pumps and compressors.)

The principal competitors of the Dispensing Equipment Group are Corob (with respect to dispensing and mixing equipment for the paint industry) and Lincoln Industrial (with respect to centralized lubrication systems).

The Other Engineered Products Group's principal competitors are A.J. Gerrard & Company, a division of Illinois Tool Works Inc. (with respect to stainless steel bands, buckles and tools) and Waterous Company, a division of American Cast Iron Pipe Company (with respect to truck-mounted fire-fighting pumps).

EMPLOYEES

At December 31, 2001, IDEX had approximately 3,900 employees. Approximately 15% were represented by labor union with various contracts expiring through January 2005. Management believes that the Company's relationship with its employees is good. The Company has historically been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

SUPPLIERS

IDEX manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by IDEX are available from multiple sources.

INVENTORY AND BACKLOG

The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs are therefore typically limited to approximately 1 to 1 1/2 months of production. While total inventory levels may also be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

SEGMENT INFORMATION

For segment financial information for the years 2001, 2000, and 1999, see the table titled "Company and Business Group Financial Information" presented on page 18 under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 10 of the "Notes to Consolidated Financial Statements" on pages 30 and 31 of the 2001 Annual Report, which is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names of the executive officers of the Company, their ages, years of service, the positions held by them, and their business experience during the past 5 years.

YEARS OF SERVICE	NAME	AGE	SERVICE(1)	POSITION
	Dennis K. Williams	55	2	Chairman of the Board, President and Chief Executive Officer
	Wayne P. Sayatovic	55	29	Senior Vice President-Finance and Chief Financial Officer
	Jerry N. Derck	54	9	Vice President-Human Resources
	Clinton L. Kooman	58	37	Vice President-Controller
	Douglas C. Lennox	49	22	Vice President-Treasurer
	John L. McMurray	51	9	Vice President-Operational Excellence
	Dennis L. Metcalf	54	28	Vice President-Corporate Development
	Frank J. Notaro	38	4	Vice President-General Counsel and Secretary
	Rodney L. Usher	56	21	Vice President-Group Executive
	David T. Windmuller	44	21	Vice President-Group Executive

(1) The years of service for executive officers include the period prior to acquisition by IDEX or with IDEX's predecessor company.

Mr. Williams was appointed Chairman of the Board, President and Chief Executive Officer by the Board of Directors, effective May 1, 2000. Prior to joining IDEX, Mr. Williams was a senior executive of the General Electric Company, most recently serving as President and Chief Executive Officer of GE Power Systems Industrial Products, a global business with \$4 billion in sales, based in Florence, Italy. Prior to heading GE Power Systems Industrial Products, he was President and Chief Executive Officer of GE's Nuovo Pignone business, one of the world's leading manufacturers of gas turbines and high-pressure industrial compressors.

Mr. Sayatovic has been Senior Vice President-Finance and Chief Financial Officer of the Company since January 1992.

Mr. Derck has been Vice President-Human Resources of the Company since November 1992.

Mr. Kooman has been Vice President-Controller of the Company since November 1995.

Mr. Lennox has served as Vice President-Treasurer of the Company since November 1995.

Mr. McMurray has been Vice President-Operational Excellence of the Company since October 2000. Mr. McMurray previously served as Vice President-Group Executive from November 1998 through September 2000, and President of Viking Pump from January 1997 through September 2000.

Mr. Metcalf has served as Vice President-Corporate Development of the Company since March 1997. Mr. Metcalf was Director of Business Development of the Company from March 1991 to February 1997.

Mr. Notaro has served as Vice President-General Counsel and Secretary since March 1998. Previously, Mr. Notaro was a partner of Hodgson Russ LLP.

Mr. Usher has been Vice President-Group Executive of the Company since August 1997 and President of Pulsafeeder from August 1994 through September 2000.

Mr. Windmuller has served as Vice President-Group Executive since October 2000. Mr. Windmuller served as Vice President-Operations of the Company from January 1998 through September 2000. Previously, Mr. Windmuller was President of Fluid Management from January 1997 to December 1997.

The Company's executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of shareholders, and they serve until the next annual meeting of the Board, or until their successors are

duly elected.

ITEM 2. PROPERTIES.

The Company's principal plants and offices have an aggregate floor space area of approximately 2.9 million square feet, of which 2.0 million square feet (69%) are located in the U.S. and approximately 0.9 million square feet (31%) are located outside the U.S., primarily in the U.K. (9%), Italy (10%), Germany (6%) and The Netherlands (4%). These facilities are considered to be suitable and adequate for their operations. Management believes that utilization of manufacturing capacity ranges from 40% to 70% in each facility. The Company's executive office occupies approximately 18,000 square feet of leased space in Northbrook, Illinois.

Approximately 2.1 million square feet (72%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.5 million square feet (54%) of the principal plant and office floor area is held by business units in the Pump Products Group; 0.7 million square feet (23%) is held by business units in the Dispensing Equipment Group; and 0.7 million square feet (23%) is held by business units in the Other Engineered Products Group.

ITEM 3. LEGAL PROCEEDINGS.

The Company and the Company's subsidiaries (Subsidiaries) are party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on the Company's business or financial condition.

The Subsidiaries are subject to extensive federal, state, and local laws, rules and regulations pertaining to environmental, waste management, and health and safety matters. Permits are or may be required for some of the Subsidiaries' facilities and waste-handling activities and these permits are subject to revocation, modification and renewal. In addition, risks of substantial costs and liabilities are inherent in the Subsidiaries' operations and facilities, as they are with other companies engaged in similar industries, and there can be no assurance that such costs and liabilities will not be incurred. The Company is not aware of any environmental, health or safety matter which could, individually or in the aggregate, cause a material adverse effect on the financial position, results of operations, or cash flows of the Company or any of its Subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

Information regarding the prices of, and dividends on, the Common Stock, and certain related matters, is incorporated herein by reference to "Shareholder Information" on page 37 and to the "Statements of Consolidated Shareholders' Equity" on page 24 of the 2001 Annual Report.

The principal market for the Common Stock is the New York Stock Exchange, but the Common Stock is also listed on the Chicago Stock Exchange. As of January 31, 2002, the Common Stock was held by approximately 5,500 shareholders and there were 30,748,819 shares of Common Stock outstanding, net of treasury shares.

ITEM 6. SELECTED FINANCIAL DATA.

The information set forth under "Historical Data" on page 14 of the 2001 Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 to 21 of the 2001 Annual Report is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

The information set forth under the caption "Quantitative and Qualitative Disclosure About Market Risk" on page 21 of the 2001 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of IDEX, including Notes thereto, together with the independent auditors' report thereon of Deloitte & Touche LLP on pages 22 to 34 of the 2001 Annual Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information regarding the directors of the Company is incorporated herein by reference to the information set forth under the caption "Election of Directors" in the 2002 Proxy Statement.

Information regarding executive officers of the Company is incorporated herein by reference to Item 1 of this report under the caption "Executive Officers of the Registrant" on page 5.

Certain information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated herein by reference to the information set forth under "Compliance with Section 16(a) of the Exchange Act" in the 2002 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is incorporated herein by reference to the materials under the caption "Compensation of Executive Officers" in the 2002 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the information set forth under the caption "Security Ownership" in the 2002 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is incorporated herein by reference to the information set forth under the caption "Certain Interests" in the 2002 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) 1. Financial Statements

The following financial statements are incorporated herein by reference to the 2001 Annual Report.

2001 ANNUAL REPORT PAGE ----- Consolidated Balance
Sheets as of December 31, 2001 and
2000.....
22 Statements of Consolidated Operations for the Years
Ended December 31, 2001, 2000 and
1999..... 23 Statements of
Consolidated Shareholders' Equity for the Years Ended
December 31, 2001, 2000 and 1999..... 24
Statements of Consolidated Cash Flows for the Years Ended
December 31, 2001, 2000 and
1999..... 25 Notes to Consolidated
Financial Statements..... 26-33 Independent
Auditors' Report..... 34

2001 FORM 10-K PAGE 2. Financial Statement Schedule -
----- (a) Independent Auditors'
Report..... 10 (b) Schedule II --
Valuation and Qualifying
Accounts.....

10 All other schedules are omitted because they are not applicable, not required, or because the required information is included in the Consolidated Financial Statements of IDEX or the Notes thereto.

3. Exhibits

The exhibits filed with this report are listed on the "Exhibit Index."

(B) Report on Form 8-K

None filed in the fourth quarter 2001.

ended December
31, 2000:
Deducted from
Liabilities to
which They
Apply: Accrued
Restructuring
Expense.....

Year ended
December 31,
1999: Deducted
from Liabilities
to which They
Apply: Accrued
Restructuring
Expense.....

-
- (1) Includes provision for doubtful accounts and sales discounts granted to customers of \$2.9 million, \$1.1 million and \$0.8 million in 2001, 2000 and 1999, respectively.
 - (2) Represents uncollectible accounts, net of recoveries and sales discounts taken by customers of \$2.8 million, \$1.1 million and \$0.7 million in 2001, 2000 and 1999, respectively.
 - (3) Represents acquisition, translation and reclassification adjustments.
 - (4) Represents expenditures on liabilities established on restructuring liabilities.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 4th day of March, 2002.

IDEX CORPORATION

By /s/ WAYNE P. SAYATOVIC

Wayne P. Sayatovic
Senior Vice President -- Finance
and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE
TITLE DATE

/s/ DENNIS

K.
WILLIAMS
Chairman
of the
Board,
President,
Chief - --

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION - -----
----- 3.1	Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988) 3.1(a) Amendment to Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1- 10235) 3.2 Amended and Restated By- Laws of IDEX Corporation (incorporated by reference to Exhibit No. 3.2 to Post- Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on July 17, 1989) 3.2(a) Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX Corporation (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, et al.,

Registration
No. 33-21205,
as filed on
February 12,
1990) 4.1
Restated
Certificate
of
Incorporation
and By-Laws
of IDEX
Corporation
(filed as
Exhibits No.
3.1 through
3.2(a)) 4.2
Indenture,
dated as of
February 23,
1998, between
IDEX
Corporation,
and Norwest
Bank
Minnesota,
National
Association,
as Trustee,
relating to
the 6 7/8% of
Senior Notes
of IDEX due
February 15,
2008
(incorporated
by reference
to Exhibit
No. 4.1 to
the Current
Report of
IDEX on Form
8-K dated
February 23,
1998,
Commission
File No. 1-
10235) 4.3
Specimen
Senior Note
of IDEX
Corporation
(incorporated
by reference
to Exhibit
No. 4.1 to
the Current
Report of
IDEX on Form
8-K dated
February 23,
1998,
Commission
File No. 1-
10235) 4.4
Specimen
Certificate
of Common
Stock of IDEX
Corporation
(incorporated
by reference
to Exhibit
No. 4.3 to
the
Registration
Statement on
Form S-2 of
IDEX, et al.,
Registration
No. 33-42208,
as filed on
September 16,
1991) 4.5
Credit
Agreement,
dated as of
June 8, 2001,
among IDEX
Corporation,
Bank of
America N.A.
as Agent and
Issuing Bank,
and the Other
Financial
Institutions
Party Herto:

Bank of
America
Securities
LLC.
(incorporated
by reference
to Exhibit
No. 4.5 to
the Quarterly
Report of
IDEX on Form
10-Q for the
quarter ended
June 30,
2001,
Commission
File No. 1-
10235) *4.6
Credit
Lyonnais
Uncommitted
Line of
Credit, dated
as of
December 3,
2001 *4.7
Receivables
Purchase
Agreement
dated as of
December 20,
2001 among
IDEX
Receivables
Corporation,
as Seller,
IDEX
Corporation,
as Servicer,
Falcon Asset
Securitization
Corporation,
the Several
Financial
Institutions
from Time to
Time Party
Hereto, and
Bank One, NA
(Main Office
Chicago), as
Agent 10.1**
Employment
Agreement
between IDEX
Corporation
and Dennis K.
Williams,
dated April
14, 2000
(incorporated
by reference
to Exhibit
No. 10.6 to
the Quarterly
Report of
IDEX on Form
10-Q for the
quarter ended
June 30,
2000,
Commission
File No. 1-
10235) 10.2**
Amended and
Restated
Employment
Agreement
between IDEX
Corporation
and Wayne P.
Sayatovic,
dated March
31, 2000
(incorporated
by reference
to Exhibit
No. 10.2 to
the Quarterly
Report of
IDEX on Form
10-Q for the
quarter ended
March 31,
2000,
Commission

EXHIBIT NUMBER
DESCRIPTION ---

- 10.2(a)**
Letter
Agreement
between IDEX
Corporation and
Wayne P.
Sayatovic,
dated December
3, 1999
(incorporated
by reference to
Exhibit No.
10.2(c) to the
Annual Report
of IDEX on Form
10-K for the
year ended
December 31,
1999,
Commission File
No. 1-10235)
10.2(b)** First
Amendment to
the Letter
Agreement
between IDEX
Corporation and
Wayne P.
Sayatovic,
dated March 15,
2000
(incorporated
by reference to
Exhibit No.
10.3 to the
Quarterly
Report of IDEX
on Form 10-Q
for the quarter
ended March 31,
2000,
Commission File
No. 1-10235)
10.2(c)**
Letter
Agreement
between IDEX
Corporation and
Wayne P.
Sayatovic dated
April 24, 2000
(incorporated
by reference to
Exhibit No.
10.7 to the
Quarterly
Report of IDEX
on Form 10-Q
for the quarter
ended June 30,
2000,
Commission File
No. 1-10235)
10.3** Amended
and Restated
Employment
Agreement
between IDEX
Corporation and
Frank J.
Hansen, dated
December 23,
1998
(incorporated
by reference to
Exhibit No.
10.3(c) to the
Annual Report
of IDEX on Form
10-K for the
year ended
December 31,
1998,
Commission File
No. 1-10235)
*10.4** Revised
and Restated
Management
Incentive
Compensation
Plan for Key

Employees
Effective
January 1, 2002
10.5** Form of
Indemnification
Agreement of
IDEX
Corporation
(incorporated
by reference to
Exhibit No.
10.23 to the
Registration
Statement on
Form S-1 of
IDEX, et al.,
Registration
No. 33-28317,
as filed on
April 26, 1989)
10.6** Form of
Shareholder
Purchase and
Sale Agreement
of IDEX
Corporation
(incorporated
by reference to
Exhibit No.
10.24 to
Amendment No. 1
to the
Registration
Statement on
Form S-1 of
IDEX, et al.,
Registration
No. 33-28317,
as filed on
June 1, 1989)
10.7** IDEX
Corporation
Amended and
Restated Stock
Option Plan for
Outside
Directors
adopted by
resolution of
the Board of
Directors dated
as of January
25, 2000
(incorporated
by reference to
Exhibit No.
10.1 of the
Quarterly
Report of IDEX
on Form 10-Q
for the quarter
ended March 31,
2000,
Commission File
No. 10-10235)
10.8
Registration
Rights
Agreement,
dated January
22, 1988, among
IDEX, KKR
Associates and
IDEX
Associates,
relating to the
Common Stock
(Incorporated
by reference to
Exhibit No.
10.8 to the
Registration
Statement on
Form S-1 of
IDEX
Corporation, et
al.,
Registration
No. 33-21205,
as filed on
April 21, 1988)
10.9** Non-
Qualified Stock
Option Plan for
Non-Officer Key
Employees of
IDEX

Corporation
(incorporated
by reference to
Exhibit No.
10.15 to the
Annual Report
of IDEX on Form
10-K for the
year ended
December 31,
1992,
Commission File
No. 1-102351)
10.9(a)** 1996
Stock Plan for
Non-Officer Key
Employees of
IDEX
Corporation
(incorporated
by reference to
Exhibit No. 4.5
to the
Registration
Statement on
Form S-8 of
IDEX, et al.,
Registration
No. 333-18643,
as filed on
December 23,
1996)
*10.9(b)**
First Amended
and Restated
1996 Stock
Option Plan for
Non-Officer Key
Employees of
IDEX
Corporation
dated March 27,
2001 10.10**
Non-Qualified
Stock Option
Plan for
Officers of
IDEX
Corporation
(incorporated
by reference to
Exhibit No.
10.16 to the
Annual Report
of IDEX on Form
10-K for the
year ended
December 31,
1992,
Commission File
No. 1-102351)

EXHIBIT
NUMBER
DESCRIPTION

10.11**

First

Amended and
Restated
1996 Stock
Plan for
Officers of
IDEX
Corporation
(incorporated
by reference
to Exhibit
No. 10.1 to
the
Quarterly
Report of
IDEX on Form
10-Q for the
quarter
ended March
31, 1998,
Commission
File No. 1-
102351)

10.12** 2001
Stock Plan
for Officers
dated March
27, 2001

(incorporated
by reference
to Exhibit
No. 10.2 to
the

Quarterly
Report of
IDEX on Form
10-Q for the
quarter
ended March
31, 2001,
Commission
File No. 1-
10235)

10.13**

Executive
Incentive
Bonus Plan
dated March
27, 2001

(incorporated
by reference
to Exhibit
No. 10.1 to
the

Quarterly
Report of
IDEX on Form
10-Q for the
quarter
ended March
31, 2001,
Commission
File No. 1-
10235)

10.14** IDEX
Corporation
Supplemental
Executive
Retirement
Plan

(incorporated
by reference
to Exhibit
No. 10.17 to
the Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
1992,
Commission
File No. 1-
102351)

10.15**

Second
Amended and
Restated

INDEX
Corporation
Directors
Deferred
Compensation
Plan
(incorporated
by reference
to Exhibit
No. 10.14(b)
to the
Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
1997,
Commission
File No. 1-
10235)

10.16** IDEX
Corporation
1996
Deferred
Compensation
Plan for
Officers
(incorporated
by reference
to Exhibit
No. 4.8 to
the
Registration
Statement on
Form S-8 of
IDEX, et
al.,
Registration
No. 333-
18643, as
filed on
December 23,
1996)

10.17** IDEX
Corporation
1996
Deferred
Compensation
Plan for
Non-Officer
Presidents
(incorporated
by reference
to Exhibit
No. 4.7 to
the
Registration
Statement on
Form S-8 of
IDEX, et
al.,
Registrant
No. 333-
18643, as
filed on
December 23,
1996)

10.18**
Letter
Agreement
between IDEX
Corporation
and David T.
Windmuller,
dated
December 3,
1999

(incorporated
by reference
to Exhibit
No. 10.17 to
the Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
1999,
Commission
File No. 1-
10235)

10.18(a)**
Letter
Agreement
between IDEX
Corporation

and David T. Windmuller, dated April 24, 2000 (incorporated by reference to Exhibit No. 10.9 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235) 10.19**

Letter Agreement between IDEX Corporation and James R. Fluharty, dated December 3, 1999

(incorporated by reference to Exhibit No. 10.18 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1999, Commission File No. 1-10235) 10.19(a)**

First Amendment to the Letter Agreement between IDEX Corporation and James R. Fluharty, dated March 15, 2000

(incorporated by reference to Exhibit No. 10.4 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 2000, Commission File No. 1-10235) 10.19(b)**

Letter Agreement between IDEX Corporation and James R. Fluharty, dated April 24, 2000

(incorporated by reference to Exhibit No. 10.8 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2000, Commission File No. 1-10235) 10.20**

Letter Agreement between IDEX

Corporation
and John L.
McMurray,
dated
December 3,
1999
(incorporated
by reference
to Exhibit
No. 10.17 to
the Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
2001,
Commission
File No. 1-
10235)

EXHIBIT
NUMBER
DESCRIPTION

10.20(a)**
Letter

Agreement
between IDEX
Corporation
and John L.
McMurray,
dated April
24, 2000
(incorporated
by reference
to Exhibit
No. 10.17(a)
to the
Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
2001,

Commission
File No. 1-
10235)

10.21**

Letter

Agreement
between IDEX
Corporation
and Rodney
L. Usher,
dated
December 3,
1999

(incorporated
by reference
to Exhibit
No. 10.19 to
the Annual
Report of
IDEX on Form
10-K for the
year ended
December 31,
1999,

Commission
File No. 1-
10235)

10.21(a)**
First

Amendment to
the Letter
Agreement
between IDEX
Corporation
and Rodney
L. Usher,
dated March
15, 2000

(incorporated
by reference
to Exhibit
No. 10.5 to
the
Quarterly
Report of
IDEX on Form
10-Q for the
quarter
ended March
31, 2000,
Commission
File No. 1-
10235)

10.21(b)**
Letter

Agreement
between IDEX
Corporation
and Rodney
L. Usher,
dated April
24, 2000

(incorporated
by reference
to Exhibit
No. 10.10 to
the
Quarterly

Report of
IDEX on Form
10-Q for the
quarter
ended June
30, 2000,
Commission
File No. 1-
10235) *13
2001 Annual
Report to
Shareholders
of IDEX *21
Subsidiaries
of IDEX *23
Consent of
Deloitte &
Touche LLP

- - - - -

* Filed herewith

** Management contract or compensatory plan or agreement.

FORM A1

IDEX Corporation
Attention: Doug Lennox
630 Dundee Road
Northbrook, Illinois 60062

Re: Offer, dated as of December 3, 2001, for a U.S.
\$20,000,000 Uncommitted Line of Credit

Ladies and Gentlemen:

1. Introduction:

Credit Lyonnais Chicago Branch ("Lender") is pleased to offer to negotiate with IDEX Corporation, a Delaware corporation ("Borrower"), for the making of loans (the "Loans") and the issuance of standby letters of credit and commercial letters of credit (collectively, the "Letters of Credit") on an uncommitted basis and subject to the terms and conditions hereof and of the other Credit Documents (as defined in Section 2); provided, however, that the sum of (a) the aggregate principal amount of Loans outstanding at any time and (b) the aggregate amount of Letters of Credit outstanding at any time shall not exceed U.S. \$20,000,000 (twenty million dollars).

Upon execution hereof by Borrower and the satisfaction of the conditions to effectiveness set forth herein, this Agreement shall become effective and shall remain in effect until the earlier of (i) 364 days from the date set forth above and (ii) the date of revocation hereof by Lender in its sole discretion or by Borrower by delivery of a written notice of revocation to Lender (such earlier date, the "Expiration Date"). Any obligations of Borrower incurred pursuant to this Agreement shall survive its revocation or expiration.

BORROWER UNDERSTANDS AND AGREES THAT (A) LENDER MAY REVOKE THIS AGREEMENT AT ANY TIME WITHOUT NOTICE TO BORROWER AND (B) THIS AGREEMENT IS NOT A COMMITMENT BY LENDER TO MAKE LOANS OR ISSUE ANY LETTER OF CREDIT AND NO COMMITMENT FEE IS BEING PAID.

2. Definitions:

Capitalized terms used but not defined herein will have the respective meanings ascribed thereto in the Credit Agreement. As used herein and in the other Credit Documents, the following terms have the following meanings:

"Adjusted Eurorate": with respect to each day during each Interest Period in respect of a Eurorate Loan, a rate per annum determined for such day by dividing the Eurorate by the difference between (a) 1.00 and (b) the Reserve Requirement (rounded upwards, if necessary, to

the nearest 1/100 of 1%). "Eurorate" shall mean the offered rate quoted by Lender to banks in the New York interbank eurodollar market for deposits in eurodollars in immediately available funds in amounts and for durations comparable to the relevant Loan and Interest Period.

"Adjusted LIBOR": with respect to each day during each Interest Period in respect of a LIBOR Loan, a rate per annum determined for such day by dividing the LIBOR Rate by the difference between (a) 1.00 and (b) the Reserve Requirement (rounded upwards, if necessary, to the nearest 1/100th of 1%).

"LIBOR rate" shall mean the rate displayed on page 3750 on the Teleratesystem Incorporated Service (or such other page as may replace such page on such service) as of approximately 11:00 A.M. (London time) two Business Days prior to the first day of the applicable Interest Period for U.S. dollar deposits with a term comparable to such Interest Period.

"Agreement": this Offer, as amended, supplemented, extended or otherwise modified from time to time.

"Applicable Margin": on any day, a rate per annum equal to the "Applicable Rate-Offshore Rate" for that day under the Credit Agreement.

"Application": an application, in such form as Lender may specify from time to time, requesting Lender to open a Letter of Credit.

"Base Rate": as determined by Lender on a daily basis, the higher of (a) the rate per annum established by Lender from time to time as the reference rate for short-term commercial loans in US. dollars to domestic corporate borrowers (which Borrower acknowledges is not necessarily Lender's lowest rate) and (b) the overnight cost of funds of Lender as determined solely by Lender plus 1/4 of 1% per annum.

"Base Rate Loan": any Loan whose rate of interest is based on the Base Rate.

"Borrower": as defined in Section 1 hereof.

"Business Day": any day, other than a Saturday or Sunday or legal holiday, on which (a) commercial banks generally are open for business in New York, New York, (b) in the case of Eurorate Loans, dealings in eurodollar deposits are generally carried out in the New York City interbank eurodollar market and (c) in the case of LIBOR Loans, dealing in eurodollar deposits are generally carried out in the London interbank eurodollar market.

"Change of Control": means any of the following: (i) any person or group of persons (within the meaning of the Exchange Act) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Exchange Act) of 30% or more of the issued and outstanding shares of the Borrower's capital stock having the right to vote for the election of directors of the Borrower under ordinary circumstances; or (ii) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Borrower's board of directors (together with any new directors whose election by the Borrower's board of directors or whose nomination for election by the Borrower's stockholders was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so

approved) cease for any reason other than death or disability to constitute a majority of the directors then in office..

"Contingent Obligation": as to any Person, any guarantee of payment by such Person of any Indebtedness or other obligation of any other Person, or any agreement to provide financial assurance with respect to the financial condition, or the payment of the obligations of, such other Person which has the effect of assuring or holding harmless any third Person against loss with respect to one or more obligations of such third Person; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Credit Agreement": the Credit Agreement, dated June 8, 2001, among Borrower, Bank of America, N.A., as Agent and issuing bank and the other financial institutions party thereto.

"Credit Documents": this Agreement, the Applications and the Note.

"Default": any Event of Default or any condition or event which, after the giving of notice, the lapse of time, or both, or any other condition, would become an Event of Default.

"Exchange Act" means the Securities Exchange Act of 1934, and regulations promulgated thereunder, in each case, as amended from time to time.

"Eurodollar Loan": any Eurorate Loan or LIBOR Loan.

"Eurorate Interest Period": as defined in Section 5.

"Eurorate Loan": any Loan whose rate of interest is based on the Adjusted Eurorate.

"Event of Default": as defined in Section 12.

"Expiration Date": as defined in Section 1.

"GAAP": generally accepted accounting principles in the United States of America consistent with those utilized in preparing the audited financial statements referred to in Section 10.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Indebtedness": of any Person at any date means, without duplication: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness which is evidenced by a note, bond, debenture or similar instrument (c) all capital lease obligations of such Person, (d) all obligations of such Person in respect of outstanding letters of credit, acceptances and similar obligations created for the account of such Person, (e) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become

liable for the payment thereof, (f) all Contingent Obligations of such Person and (g) net liabilities of such Person under interest rate cap agreements, interest rate swap agreements, foreign currency exchange agreements and other hedging agreements or arrangements (calculated on a basis satisfactory to Lender and in accordance with accepted industry practice). The Indebtedness of any Person shall include any Indebtedness of any partnership in which such Person is the general partner.

"Interest Period": a Eurorate Interest Period or LIBOR Interest Period, as the case may be.

"L/C Obligations:" at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit for which Lender has not then been reimbursed.

"Lender": as defined in Section 1.

"LIBOR Interest Period": as defined in Section 5.

"LIBOR Loan": any Loan whose rate of interest is based on the Adjusted LIBOR.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), other charge or security interest; any conditional sale or other title retention agreement or any capital lease obligation having substantially the same economic effect as any of the foregoing.

"Loan": any loan made by Lender pursuant to this Agreement.

"Material Adverse Effect": means (a) a material adverse effect on the business, operations, property, or financial condition of Borrower and its Subsidiaries taken as a whole, (b) a material impairment of the ability of Borrower to perform its obligations under any Credit Document or (c) a material adverse effect on the validity or enforceability of any Credit Documents.

"Maturity Date": (a) in respect of any Base Rate Loan, the Expiration Date or such earlier date as the Base Rate Loans shall mature, whether by reason of acceleration or otherwise, (b) in respect of any Eurorate Loan, the Expiration Date or such earlier date as the Eurorate Loans shall mature, whether by reason of acceleration or otherwise, (c) in respect of any LIBOR Loan, the Expiration Date or such earlier date as the LIBOR Loans shall mature, whether by reason of acceleration or otherwise and (d) in respect of any Letter of Credit, the Expiration Date or such earlier date as the L/C Obligations shall mature, whether by reason of acceleration or otherwise.

"Note": the promissory note of Borrower, in form and substance satisfactory to Lender, with appropriate insertions as to payee, date and principal amount.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule, restriction or

regulation or determination of an arbitrator or a court or other governmental authority (including, without limitation, any federal, state or local environmental and employee benefit laws and regulations), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserve Requirement": for any day as applied to a Eurodollar Loan, the aggregate percentage (expressed as a decimal) which is in effect from time to time under Regulation D ("Regulation D") of the Board of Governors of the Federal Reserve System of the United States (the "Board") or any successor regulation, as the maximum reserve requirement in effect on such day (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable to member banks of the Federal Reserve System with respect to "Eurocurrency Liabilities" (as that term is defined in Regulation D) or against any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Loans is determined under any regulations of the Board or any other governmental authority having jurisdiction with respect thereto. Eurodollar Loans shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of, or credit for, proration, exceptions or offsets that may be available from time to time to Lender under Regulation D.

"Responsible Officer" means the chief executive officer, the chief legal officer, the president, the chief financial officer, the controller or the treasurer of the Company, or any other officer having substantially the same authority and responsibility.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interest having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Borrower.

3. Drawdowns and Issuance:

Promptly upon the written request by Borrower for a utilization hereunder (which request must be received by Lender prior to 11:00 A.M. (New York time) on the proposed date of such utilization (which must be a Business Day); provided, however, that such request must be received by Lender prior to 10:00 A.M. (New York time) three Business Days prior to the requested borrowing date in the case of LIBOR Loans). Lender shall inform Borrower of its decision in its sole discretion to accept or reject such request. Any such request in respect of Loans shall specify (a) the date of such Loan, (b) the aggregate amount of such Loan, (c) whether such Loan is a Base Rate Loan, Eurorate Loan or LIBOR Loan and (d) in the case of Eurodollar Loans, the applicable Interest Period. In lieu of delivering such written notice, Borrower may give Lender telephonic notice of any proposed utilization by the time required

herein if it confirms such notice by delivery to Lender of written notice promptly (but in no event later than the date on which such utilization is requested to be made).

4. Base Rate Loans:

Each Base Rate Loan shall be in a minimum principal amount of \$1,000,000 and in integral multiples of \$1,000,000 and shall be for a period of up to 30 days as selected by Borrower and shall mature and be due and payable on demand or, if no demand is made, then on the earlier of the last day of such period or the Maturity Date. Base Rate Loans shall bear interest from the date of drawdown to the date when due at the Base Rate. Accrued and unpaid interest in respect of Base Rate Loans shall be due and payable on the earliest of demand, the last day of each calendar month and the Maturity Date as well as upon any prepayment to the extent accrued on the amount prepaid.

A Base Rate Loan may be prepaid at any time without premium or penalty upon written notice received by Lender no later than 11:00 A.M. (New York time) on the date of prepayment; provided, however, that partial prepayments of a Base Rate Loan shall be in integral multiples of \$1,000,000.

5. Eurodollar Loans:

Each Eurorate Loan shall be in a minimum amount of \$1,000,000 and in integral multiples of \$1,000,000 and shall be for a period of up to one month as selected by Borrower (each such period, a "Eurorate Interest Period") and shall mature and be due and payable on the last day of the Eurorate Interest Period therefor or such earlier date as such Loan shall mature, whether by reason of acceleration or otherwise; provided, however, that no Eurorate Loan shall mature later than the Maturity Date. Each LIBOR Loan shall be in a minimum amount of \$1,000,000 and in integral multiples of \$1,000,000 and shall be for a period of up to one month as selected by Borrower (each such period, a "LIBOR Interest Period") and shall mature and be due and payable on the last day of the LIBOR Interest Period therefor or such earlier date as such Loan shall mature, whether by reason of acceleration or otherwise; provided, however, that no LIBOR Loan shall mature later than the Maturity Date.

Eurorate Loans shall bear interest from the date of drawdown to the date when due at the Adjusted Eurorate plus the Applicable Margin and LIBOR Loans shall bear interest from the date of draw down to the date when due at Adjusted LIBOR plus the Applicable Margin.

Accrued and unpaid interest shall be due and payable for Eurodollar Loans on the earlier of the last day of each Interest Period therefor and the Maturity Date as well as upon any prepayment thereof to the extent accrued on the amount prepaid.

In the event (i) Borrower shall default in making a borrowing of Eurodollar Loans after Borrower has given notice requesting the same in accordance with the provisions of this Agreement or (ii) a Eurodollar Loan is prepaid prior to the end of the Interest Period therefor, whether by reason of acceleration or otherwise, Borrower shall indemnify Lender against any loss or expense which it may sustain or incur as determined by Lender as a consequence of such default or prepayment as the case may be.

6. Overdue Amounts:

Principal, interest (to the extent permitted by law) and other amounts due hereunder or under any other Credit Document that are not paid on the date when due shall bear interest (before as well as after judgment) payable on demand at 2% over the Base Rate from and including the date when such payment was due to, but excluding the date of receipt of payment.

7. Terms of Letters of Credit:

Each Letter of Credit (a) shall be governed by the provisions hereof and of the relevant Application and (b) shall expire on a Business Day no later than 30 days after the date of its issuance; provided, however, that no Letter of Credit shall expire later than the Maturity Date. Borrower shall pay to Lender a commission on each Letter of Credit at a rate equal to the Applicable Margin, calculated on the maximum amount available for drawing thereunder and payable in advance on the date of issuance (and on any date of extension) of such Letter of Credit. In addition, Borrower shall pay to Lender a non-refundable (a) issuance fee with respect to each Letter of Credit in the amount of \$200, payable in advance on the date of issuance of such Letter of Credit and (b) amendment fee with respect to each amendment to any Letter of Credit in the amount of \$100, payable in advance on the date of such amendment.

8. Calculations; Payments:

All calculations of interest hereunder shall be made on the basis of a 360-day year for the actual number of days elapsed. All payments of principal, interest or other amounts due under the Credit Documents shall be made without set-off, counterclaim or any other deduction no later than 11:00 A.M. (New York time) on the date when due in immediately available funds at the offices of Lender for its account. If any such payment falls due on a day which is not a Business Day, the date of payment shall be the preceding Business Day.

9. Increased Costs:

In the event of the introduction of, or any change in, any applicable law, rule, regulation or official directive (whether or not having the force of law), or in the interpretation or application thereof by any governmental authority after the date hereof which results in an increase in the cost to Lender of making or maintaining or which reduces the rate of return on capital of Lender as a consequence of its obligations with respect to, the Loan or Letters of Credit by reason of reserve (including, without limitation, the imposition of any reserves with respect to Eurocurrency Liabilities), capital adequacy or similar requirements, or which results in a reduction of amounts otherwise receivable by Lender from Borrower of principal interest or other fees and charges hereunder and thereunder by reason of tax (other than tax on the overall net income of Lender), levy, impost, fee, charge, withholding or similar requirements of any kind, Borrower will pay to Lender upon demand an amount equal to such actual increased cost or reduction. If Borrower becomes liable for the payment of any additional amounts by reason of the immediately preceding sentence, it may avoid further liability for such additional amounts by (a) as to outstanding Loans, giving Lender prior written notice of its intention to prepay, and by prepaying forthwith, such Loans in full, together with all interest, fees and other amounts or charges incurred thereon and due hereunder (including such additional amounts for the period

prior to prepayment pursuant to the immediately preceding sentence as well as such additional amounts to compensate Lender for all reinvestment or liquidation loss, cost or expense incurred by Lender by reason of such prepayment) and (b) as to each outstanding Letter of Credit, seeking and obtaining replacements therefor from other financial institutions satisfactory to Lender which fully cancel all obligations of Lender under such Letter of Credit (which shall thereupon be returned to Lender) and the relevant Application and paying to Lender in full on the date of replacement all interest, fees and other amounts or charges due relating to such obligations.

10. Representations and Warranties:

The Borrower represents and warrants as of the date hereof and as of the date of each Loan made or Letter of Credit issued that:

i. (a) it is a corporation duly organized and validly existing under the laws of the State of Delaware, (b) it is in good standing therein, (c) it is duly qualified to transact business in all jurisdictions where such qualification is necessary except where failure to qualify would not have a Material Adverse Effect, (d) no consent or authorization of, approval by, notice to, filing with or other act by or in respect of, any governmental authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of any of the Credit Documents and (e) it has the legal right and corporate power and authority to execute and deliver the Credit Documents and all documents, instruments and agreements related thereto and perform the transactions and agreements contemplated thereby;

ii. the execution, delivery and performance of the Credit Documents have been duly authorized by all necessary corporate action;

iii. the Credit Documents have been duly executed and delivered by it, and constitute the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

iv. it is not in default under any agreement to which it is a party or by which its assets or properties are bound except as such default would not have a Material Adverse Effect and the execution and delivery of, and the performance by it under, the Credit Documents do not and will not contravene any Requirement of Law, nor result in a breach or default under any agreement to which it is a party or by which its assets or properties are bound;

v. there are no actions, suits or proceedings of any kind pending or threatened against Borrower or its assets or properties which, in any one case or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

vi. the consolidated balance sheet of Borrower dated as of, and the related statements of income and retained earnings and cash flows for the fiscal year ended, December 31, 2000 reported on by Deloitte & Touche, copies of which have heretofore been furnished to Lender, fairly present the consolidated financial position of Borrower and its consolidated Subsidiaries as of December 31, 2000 and the results of their consolidated operations for the

fiscal year then ended, all in conformity with GAAP and since December 31, 2000 there has been no development or event nor any prospective development or event which has had, or could reasonably be expected to have, a Material Adverse Effect;

vii. it has filed or caused to be filed all Federal, state and local tax returns which are required to be filed by it, and has paid or has made provision for the payment of all taxes shown to be due and payable on such returns or on any assessments received by it, other than any taxes or assessment it is contesting in good faith by appropriate proceedings and with respect to which it shall, to the extent required by GAAP, have set aside adequate reserves on its books except where failure to file local or state tax returns would not have a Material Adverse Effect;

viii. no part of the proceeds of any Loan will be used for "purchasing" or "carrying" "margin stock" within the respective meanings of such quoted terms under Regulations G, T, U and X of the Board or for any purpose which violates, or which would cause Lender to violate, the provisions of any such regulations;

ix. it is not subject to regulation under the Public Utility Holding Company Act of 1935 or the Investment Company Act of 1940, each as amended, or to any Federal or state statutes or regulations limiting its ability to incur the indebtedness contemplated under, or otherwise affecting the validity or enforceability of, the Credit Documents; and

x. it is in compliance with all Requirements of Law except where such noncompliance could not reasonably be expected to have a Material Adverse Effect.

11. Covenants:

Until the later of (a) the Expiration Date and (b) the date on which all obligations of Borrower in respect of the Credit Documents are indefeasibly paid in cash in full, Borrower agrees and covenants with Lender as follows:

(i) Borrower shall provide Lender with (A) its annual consolidated financial statements within 90 days after the end of each of its fiscal years, (B) its quarterly consolidated financial statements within 45 days after the end of each of the first three fiscal quarters of each of its fiscal years and (C) prompt written notice of any Default or Event of Default upon a Responsible Officer becoming aware thereof. Borrower shall deliver and furnish to Lender the materials specified in Sections 7.01 and 7.02 of the Credit Agreement and shall notify Lender of the matters specified in Section 7.03 thereof, in each case not later than the times specified in the Credit Agreement. Not later than the tenth day of each month Borrower shall deliver to Lender a certificate setting forth as of the last day of the preceding month the following information as to the facilities established under the Credit Agreement: the amount of the Aggregate Commitments, the amount of the outstanding Committed Loans and the Applicable Currencies thereof, the amount of the outstanding Bid Loans and the Applicable Currencies thereof, and the amount of the outstanding Letters of Credit thereunder and the other L/C Obligations and the Applicable Currencies thereof.

(ii) Borrower shall preserve and maintain in full force and effect its corporate existence.

(iii) Borrower shall take all reasonable action to preserve and maintain all governmental rights, privileges and franchises necessary or desirable in the normal conduct of its business except in connection with transactions permitted by Section 8.03 of the Credit Agreement and sales of assets permitted by Section 8.02 and except for the foregoing the expiration or termination of which could not reasonably be expected to have a Material Adverse Effect.

(iv) Borrower shall not sell, lease, transfer or otherwise dispose of all or any material portion of its assets (in each case, whether in one transaction or in a series of transactions) except as permitted under Section 8.02 of the Credit Agreement.

(v) Borrower shall not consolidate with, or merge into, any other Person (unless Borrower is the surviving corporation) except as permitted by Section 8.03 of the Credit Agreement.

(vi) Borrower shall not engage in any material line of business substantially different from those lines of business carried on by the Borrower on the date hereof.

(vii) Borrower's obligations hereunder shall rank pari passu with all other unsecured and unsubordinated indebtedness of Borrower.

12. Events of Default:

The occurrence of any one or more of the following events shall constitute an "Event of Default" under the Credit Documents:

i. if Borrower shall (a) fail to repay the principal of any Loan or to reimburse the amount of any drawing under a Letter of Credit when due and payable or (b) fail to pay interest on any such Loan or any other amounts due under the Credit Documents within five days of the date on which such payment of interest or other amount was due and payable;

ii. if Borrower shall fail to perform any of its obligations for any payment in respect of any Indebtedness (other than Indebtedness described in subsection 12(i)), having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$10,000,000 when due (whether at scheduled maturity or upon acceleration, demand or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure, or if Borrower shall default under any agreement or instrument relating to such Indebtedness or any other event shall occur and continue after any grace period applicable thereto, if the effect of such default or event is to accelerate, or permit the acceleration of, the maturity of such Indebtedness;

iii. if Borrower or any Subsidiary of Borrower shall:

(a) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other

similar official of it or any material part of its property, shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(b) suffer the commencement of an involuntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any material part of its property, and such involuntary case or other proceeding shall not be controverted by appropriate proceedings within 30 days of the commencement thereof or shall remain undismissed or undischarged for a period of 60 days; or suffer the entry of an order for relief or be adjudicated a bankrupt or insolvent under the bankruptcy, insolvency or similar laws of any competent jurisdiction;

iv. if any representation, warranty or statement made by Borrower in any Credit Document or in any certificate or statement furnished pursuant to, or in connection with, any Credit Document shall prove to have been incorrect in any material respect when made or deemed made;

v. if Borrower shall fail to perform or observe any term, covenant or agreement on its part to be performed or observed pursuant to any Credit Document and such failure continues unremedied for five Business Days (other than those covered by subsection 12(i));

vi. if one or more non-interlocutory judgments or decrees shall be entered against Borrower or any of its Subsidiaries involving in the aggregate for all such Persons a liability (not paid or fully covered by insurance) as to any single or related series of transactions, incidents or conditions, of \$10,000,000 or more, and all such judgments and decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof;

vii. if there shall occur any of the events or defaults set forth in any Application;

viii. if a Change of Control shall occur.

Upon the occurrence of any Event of Default (other than any Event of Default specified in subsection 12(iii) in respect of Borrower), Lender may, by written notice to Borrower, declare this Agreement canceled and/or declare all amounts outstanding under this Agreement and the Note (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be immediately due and payable in full, whereupon this Agreement shall be canceled and/or such amounts shall become immediately due and payable; provided, however,

that upon the occurrence of any Event of Default specified in subsection 12(iii) in respect of Borrower, this Agreement automatically shall be canceled and all such amounts outstanding automatically shall become immediately due and payable in full, in each case without notice, presentment, demand, protest or other action of any kind, all of which are hereby expressly waived by Borrower.

The rights and remedies of Lender under this Agreement are in addition to, and not in substitution of, the rights and remedies Lender is entitled to exercise at law, in equity and under the other Credit Documents.

13. Effectiveness of Agreement; Conditions Precedent:

The effectiveness of this Agreement is subject to receipt by Lender, in form and substance satisfactory to it, of each of the following:

i. a copy of the articles of incorporation or comparable organizational document of Borrower, duly certified by the Secretary of State of Delaware as of a recent date;

ii. a copy of the by-laws or comparable organizational document of Borrower, duly certified by Borrower's Secretary or Assistant Secretary as in full force and effect;

iii. a copy of Borrower's resolutions certified by the Secretary or Assistant Secretary of Borrower authorizing Borrower to enter into the transactions contemplated by the Credit Documents to which Borrower is a party, including, without limitation, borrowing from Lender in the aggregate amount contemplated hereunder, and evidencing the authority of the officer(s) named therein to sign the Credit Documents and such other documents on behalf of Borrower as Lender shall require;

iv. a certificate of incumbency and specimen signatures of the authorized signers of the Credit Documents issued by the Secretary or Assistant Secretary of Borrower;

v. a Note payable to the order of Lender, duly executed and delivered by an authorized officer of Borrower; and

vi. such other documents, instruments or agreements as Lender shall reasonably request.

An additional condition precedent to the issuance of a Letter of Credit is the receipt by Lender of a duly executed Application in respect of such Letter of Credit.

Each utilization by Borrower hereunder shall constitute a representation and warranty that (a) each of the representations and warranties made by Borrower contained herein or in any other Credit Document shall be true and correct on and as of the date of such utilization as if made on and as of such date and (b) no Default or Event of Default exists (either immediately before or immediately after giving effect to such utilization).

14. Authorization to Debit; Right of Set-Off:

With respect to the payment of amounts due hereunder, Borrower hereby authorizes Lender to debit any demand deposit account of Borrower maintained with Lender for such amount when due. In the event Borrower shall default in the payment of any amount due hereunder or under the other Credit Documents, Lender shall have the right to set off and apply any deposit, general or special, time or demand, provisional or final, at any time held or owing by any branch or office of Credit Lyonnais S.A. to, or for the credit of, Borrower.

15. Indemnity:

Borrower agrees: (a) to pay or reimburse Lender for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under any Credit Document and any other document prepared in connection therewith (including, without limitation, fees and disbursements of counsel to Lender), (b) to pay, indemnify and hold Lender harmless from any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of, any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Credit Document and any such other document and (c) to pay, indemnify and hold Lender harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions (whether sounding in contract, in tort or on any other ground), judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance or administration of, or in any other way arising out of or relating to, any Credit Document or any other documents contemplated by or referred to therein or any action taken or omitted to be taken by Lender with respect to any of the foregoing (all the foregoing, collectively, the "Indemnified Liabilities"); provided, however, that Borrower shall have no obligation hereunder to Lender with respect to Indemnified Liabilities arising solely from the gross negligence or willful misconduct of Lender. Without prejudice to the survival of any other provision hereof, the terms of this Section 15 shall survive the termination of this Agreement and the repayment of the Note and all other amounts payable hereunder.

16. Governing Law:

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

17. No Waiver; Severability; Integration:

The failure or delay by Lender to exercise any right, power or remedy under this Agreement or any other Credit Document or with respect to the indebtedness evidenced hereby or thereby shall not operate as a waiver thereof, nor shall the exercise of any single or partial right, power or remedy preclude any other or further exercise of the same or any other right, power or remedy. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Agreement and the other Credit Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

18. Jurisdiction; Venue; Waiver of Jury Trial:

Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State or federal court of the United States of America sitting in New York City, whether trial or appellate, in any action or proceeding arising out of, or relating to, this Agreement or any of the other Credit Documents, or for recognition or enforcement of any judgment in respect thereof, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court and consents that any such action or proceeding may be brought in such courts and waives to the fullest extent permitted by law any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any of the other Credit Documents in the courts of any jurisdiction.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF, OR RELATING TO, ANY CREDIT DOCUMENT OR OTHER ACTIONS OF LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

19. Successors and Assigns:

This Agreement shall be binding upon and inure to the benefit of Borrower, Lender, all future holders of the Note and their respective successors and assigns, except that Borrower may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of Lender.

20. Assignments; Pledges to Federal Reserve Bank:

Lender may, at any time and from time to time, assign to any branch, lending office or affiliate of Credit Lyonnais S.A. all or any part of its rights and obligations under the Credit Documents by notification thereof to Borrower.

Nothing herein shall prohibit Lender from pledging or assigning the Note to any Federal Reserve Bank in accordance with applicable law.

If the foregoing is acceptable, kindly acknowledge your agreement with the terms and conditions hereof by having one original copy of this Agreement signed by duly authorized officer(s) of Borrower (pursuant to its resolutions) and returned to Lender as soon as possible.

Yours truly,

CREDIT LYONNAIS
CHICAGO BRANCH

By: _____
Name: _____
Title: _____

Address for Notices:

Credit Lyonnais Chicago Branch
Attn: Corey Billups
227 West Monroe Street, Suite 3800
Chicago, IL 60606
Facsimile Number: (312) 641-0527

Acknowledged and Agreed:

IDEX CORPORATION

By: _____
Name: _____
Title: _____

Address for Notices:

IDEX Corporation
Attention: Doug Lennox
630 Dundee Road
Northbrook, Illinois 60062
Facsimile Number: 847-498-3940

NOTE

Chicago, Illinois

December 3, 2001

For value received, IDEX Corporation, a Delaware corporation ("Borrower"), promises to pay to the order of Credit Lyonnais Chicago Branch ("Lender") the lesser of (a) twenty million United States Dollars (\$20,000,000) and (b) the aggregate unpaid principal amount of the Loans made by Lender to Borrower pursuant to the Offer (as hereinafter defined) on the dates provided for therein. Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Offer. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Credit Lyonnais Chicago Branch, 227 West Monroe Street, Suite 3800, Chicago, IL 60606.

All Loans made by Lender, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by Lender and, if Lender so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by Lender in the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of Lender to make any such recordation or endorsement shall not affect the obligation of Borrower hereunder or under the Offer.

This note is the Note referred to in the Offer, dated as of December 3, 2001, between Borrower and Lender (as the same may be amended, supplemented or otherwise modified from time to time, the "Offer"). Terms defined in the Offer are used herein with the same meanings. Reference is made to the provisions of the Offer for, among other things, prepayment of the Loans and the acceleration of the maturity thereof.

By _____

RECEIVABLES PURCHASE AGREEMENT

dated as of December 20, 2001

Among

IDEX RECEIVABLES CORPORATION, as Seller,

IDEX CORPORATION, as Servicer,

FALCON ASSET SECURITIZATION CORPORATION,

THE SEVERAL FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY HERETO,

and

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Agent

IDEX RECEIVABLES CORPORATION
RECEIVABLES PURCHASE AGREEMENT

This Receivables Purchase Agreement dated as of December 20, 2001 is among IDEX Receivables Corporation, a Delaware corporation ("Seller"), IDEX Corporation, a Delaware corporation ("IDEX"), as initial Servicer (the Servicer together with Seller, the "Seller Parties" and each, a "Seller Party"), the entities listed on Schedule A to this Agreement (together with any of their respective successors and assigns hereunder, the "Financial Institutions"), Falcon Asset Securitization Corporation ("Falcon") and Bank One, NA (Main Office Chicago), as agent for the Purchasers hereunder or any successor agent hereunder (together with its successors and assigns hereunder, the "Agent"). Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in Exhibit I.

PRELIMINARY STATEMENTS

Seller desires to transfer and assign Receivable Interests to the Purchasers from time to time.

Falcon may, in its absolute and sole discretion, purchase Receivable Interests from Seller from time to time.

In the event that Falcon declines to make any purchase, the Financial Institutions shall, at the request of Seller, purchase Receivable Interests from time to time. In addition, the Financial Institutions have agreed to provide a liquidity facility to Falcon in accordance with the terms hereof.

Bank One, NA (Main Office Chicago) has been requested and is willing to act as Agent on behalf of Falcon and the Financial Institutions in accordance with the terms hereof.

ARTICLE I
PURCHASE ARRANGEMENTS

Section 1.1 Purchase Facility.

(a) Upon the terms and subject to the conditions hereof, Seller may, at its option, sell and assign Receivable Interests to the Agent for the benefit of one or more of the Purchasers. In accordance with the terms and conditions set forth herein, Falcon may, at its option, instruct the Agent to purchase on behalf of Falcon, or if Falcon shall decline to purchase, the Agent shall purchase, on behalf of the Financial Institutions, Receivable Interests from time to time in an aggregate amount not to exceed at such time the lesser of (i) the Purchase Limit and (ii) the aggregate amount of the Commitments during the period from the date hereof to but not including the Facility Termination Date.

(b) Seller may, upon at least 10 Business Days' notice to the Agent, terminate in whole or reduce in part, ratably among the Financial Institutions, the unused portion of the Purchase Limit; provided that each partial reduction of the Purchase Limit shall be in an amount equal to \$5,000,000 or an integral multiple thereof.

Section 1.2 Increases. Seller shall provide the Agent with at least two Business Days' prior notice in the form set forth as Exhibit II hereto of each Incremental Purchase (a "Purchase Notice"). Each Purchase Notice shall be subject to Section 6.2 hereof and, except as set forth below, shall be irrevocable and shall specify the requested Purchase Price (which shall not be less than \$1,000,000) and date of purchase (which, in the case of any Incremental Purchase (after the initial Incremental Purchase hereunder), shall only be on a Settlement Date and, in the case of an Incremental Purchase to be funded by the Financial Institutions, the requested Bank Rate and Tranche Period. Following receipt of a Purchase Notice, the Agent will determine whether Falcon agrees to make the purchase. If Falcon declines to make a proposed purchase, the Agent will promptly notify Seller of such fact, whereupon Seller may cancel the Purchase Notice or, in the absence of such a cancellation, the Incremental Purchase of the Receivable Interest will be made by the Financial Institutions. On the date of each Incremental Purchase, upon satisfaction of the applicable conditions precedent set forth in Article VI, Falcon or the Financial Institutions, as applicable, shall deposit to the account of the Seller set forth in such Purchase Notice, in immediately available funds, no later than 12:00 noon (Chicago time), an amount equal to (i) in the case of Falcon, the aggregate Purchase Price of the Receivable Interests Falcon is then purchasing or (ii) in the case of a Financial Institution, such Financial Institution's Pro Rata Share of the aggregate Purchase Price of the Receivable Interests the Financial Institutions are purchasing.

Section 1.3 Decreases. Seller shall provide the Agent with prior written notice (a "Reduction Notice") of any proposed reduction of Aggregate Capital. Such Reduction Notice shall designate (i) the date (the "Proposed Reduction Date") upon which any such reduction of Aggregate Capital shall occur (which date shall not be less than two (2) Business Days after the date such notice is received by the Agent), and (ii) the amount of Aggregate Capital to be reduced which shall be applied ratably to the Receivable Interests of Falcon and the Financial Institutions in accordance with the amount of Capital (if any) owing to Falcon, on the one hand, and the amount of Capital (if any) owing to the Financial Institutions (ratably, based on their respective Pro Rata Shares), on the other hand (the "Aggregate Reduction"). Only one (1) Reduction Notice shall be outstanding at any time.

Section 1.4 Payment Requirements. All amounts to be paid or deposited by any Seller Party pursuant to any provision of this Agreement shall be paid or deposited in accordance with the terms hereof no later than 11:00 a.m. (Chicago time) on the day when due in immediately available funds, and if not received before 11:00 a.m. (Chicago time) shall be deemed to be received on the next succeeding Business Day. If such amounts are payable to a Purchaser they shall be paid to the Agent, for the account of such Purchaser, at 1 Bank One Plaza, Chicago, Illinois 60670 until otherwise notified by the Agent. All computations of Yield, per annum fees calculated as part of any CP Costs, per annum fees hereunder and per annum fees under the Fee Letter shall be made on the basis of a year of 360 days for the actual number of

days elapsed. If any amount hereunder shall be payable on a day which is not a Business Day, such amount shall be payable on the next succeeding Business Day.

ARTICLE II
PAYMENTS AND COLLECTIONS

Section 2.1 Payments. Notwithstanding any limitation on recourse contained in this Agreement, Seller shall immediately pay to the Agent when due, for the account of the relevant Purchaser or Purchasers on a full recourse basis, (i) such fees as set forth in the Fee Letter (which fees shall be sufficient to pay all fees owing to the Financial Institutions), (ii) all CP Costs, (iii) all amounts payable as Yield, (iv) all amounts payable as Deemed Collections (which shall be due and payable by Seller on the Settlement Date immediately succeeding the event giving rise to such Deemed Collection and applied to reduce outstanding Aggregate Capital hereunder in accordance with Sections 2.2 and 2.3 hereof), (v) all amounts payable to reduce the Receivable Interests, if required pursuant to Section 2.6, (vi) all amounts payable pursuant to Article X, if any, (vii) all Servicer costs and expenses, including the Servicing Fee, in connection with servicing, administering and collecting the Receivables, (viii) all Broken Funding Costs and (ix) all Default Fees (collectively, the "Obligations"). If Seller fails to pay any of the Obligations when due, or if Servicer fails to make any deposit required to be made by it under this Agreement when due, such Person agrees to pay, on demand, the Default Fee in respect thereof until paid. Notwithstanding the foregoing, no provision of this Agreement or the Fee Letter shall require the payment or permit the collection of any amounts hereunder in excess of the maximum permitted by applicable law. If at any time Seller receives any Collections or is deemed to receive any Collections, Seller shall immediately pay such Collections or Deemed Collections to the Servicer for application in accordance with the terms and conditions hereof and, at all times prior to such payment, such Collections or Deemed Collections shall be held in trust by Seller for the exclusive benefit of the Purchasers and the Agent.

Section 2.2 Collections Prior to Amortization. Prior to the Amortization Date, any Collections and/or Deemed Collections received by the Servicer shall be paid to the Agent in accordance with this Agreement in payment of any accrued and unpaid Aggregate Unpaid or used for a Reinvestment as provided in this Section 2.2. If at any time any Collections or Deemed Collections are received by the Servicer prior to the Amortization Date, (i) the Servicer shall set aside the Termination Percentage (hereinafter defined) of Collections and Deemed Collections evidenced by the Receivable Interests of each Terminating Financial Institution and (ii) Seller hereby requests and the Purchasers (other than any Terminating Financial Institutions) hereby agree to make (subject to the conditions precedent set forth in Section 6.2), simultaneously with such receipt, a reinvestment (each, a "Reinvestment") with that portion of the balance of each and every Collection received by the Servicer that is part of any Receivable Interest (other than any Receivable Interests of Terminating Financial Institutions), such that after giving effect to such Reinvestment, the amount of Capital of such Receivable Interest immediately after such receipt and corresponding Reinvestment shall be equal to the amount of Capital immediately prior to such receipt. On each Settlement Date prior to the occurrence of the Amortization Date, the Servicer shall remit to the Agent's account the amounts set aside during the preceding Settlement Period that have not been subject to a Reinvestment and apply

such amounts (if not previously paid in accordance with Section 2.1) first, to reduce unpaid Obligations and second, to reduce the Capital of all Receivable Interests of Terminating Financial Institutions, applied ratably to each Terminating Financial Institution according to its respective Termination Percentage. If such Capital and Obligations shall be reduced to zero, any additional Collections and Deemed Collections received by the Servicer (i) if applicable, shall be remitted to the Agent's account no later than 11:00 a.m. (Chicago time) to the extent required to fund any Aggregate Reduction on such Settlement Date and (ii) any balance remaining thereafter shall be remitted from the Servicer to Seller on such Settlement Date. Each Terminating Financial Institution shall be allocated a ratable portion of Collections and Deemed Collections from the date of any assignment by Falcon pursuant to Section 13.6 (the "Termination Date") until such Terminating Financing Institution's Capital shall be paid in full. This ratable portion shall be calculated on the Termination Date of each Terminating Financial Institution as a percentage equal to (i) Capital of such Terminating Financial Institution outstanding on its Termination Date, divided by (ii) the Aggregate Capital outstanding on such Termination Date (the "Termination Percentage"). Each Terminating Financial Institution's Termination Percentage shall remain constant prior to the Amortization Date. On and after the Amortization Date, each Termination Percentage shall be disregarded, and each Terminating Financial Institution's Capital shall be reduced ratably with all Financial Institutions in accordance with Section 2.3.

Section 2.3 Collections Following Amortization. On the Amortization Date and on each day thereafter, the Servicer shall set aside and hold in trust, for the holder of each Receivable Interest, (a) if no Amortization Event has occurred, that portion of the Collections received on such date equal to the aggregate of the Receivable Interests then outstanding, and (b) if an Amortization Event has occurred, all Collections received on such day and an additional amount for the payment of any accrued and unpaid Obligations owed by Seller and not previously paid by Seller in accordance with Section 2.1. On and after the Amortization Date, the Servicer shall, at any time upon the request from time to time by (or pursuant to standing instructions from) the Agent (i) remit to the Agent's account the amounts set aside pursuant to the preceding sentence, and (ii) apply such amounts to reduce the Capital associated with each such Receivable Interest and any other Aggregate Unpays.

Section 2.4 Application of Collections. If there shall be insufficient funds on deposit for the Servicer to distribute funds in payment in full of the aforementioned amounts pursuant to Section 2.2 or 2.3 (as applicable), the Servicer shall distribute funds:

first, to the payment of the Servicer's reasonable out-of-pocket costs and expenses in connection with servicing, administering and collecting the Receivables, including the Servicing Fee,

second, to the reimbursement of the Agent's costs of collection and enforcement of this Agreement,

third, ratably to the payment of all accrued and unpaid fees under the Fee Letter, CP Costs and Yield,

fourth, (to the extent applicable) to the ratable reduction of the Aggregate Capital (without regard to any Termination Percentage),

fifth, for the ratable payment of all other unpaid Obligations, and

sixth, after the Aggregate Unpays have been indefeasibly reduced to zero, to Seller.

Collections applied to the payment of Aggregate Unpays shall be distributed in accordance with the aforementioned provisions, and, giving effect to each of the priorities set forth in this Section, shall be shared ratably (within each priority) among the Agent and the Purchasers in accordance with the amount of such Aggregate Unpays owing to each of them in respect of each such priority.

Section 2.5 Payment Rescission. No payment of any of the Aggregate Unpays shall be considered paid or applied hereunder to the extent that, at any time, all or any portion of such payment or application is rescinded by application of law or judicial authority, or must otherwise be returned or refunded for any reason. Seller shall remain obligated for the amount of any payment or application so rescinded, returned or refunded, and shall promptly pay to the Agent (for application to the Person or Persons who suffered such rescission, return or refund) the full amount thereof, plus the Default Fee from the date of any such rescission, return or refunding.

Section 2.6 Maximum Receivable Interests. Seller shall ensure that the Receivable Interests of the Purchasers shall at no time exceed in the aggregate 100%. If the aggregate of the Receivable Interests of the Purchasers exceeds 100%, Seller shall pay to the Agent within two (2) Business Days after discovery of such excess an amount to be applied to reduce the Aggregate Capital (as allocated by the Agent), such that after giving effect to such payment the aggregate of the Receivable Interests equals or is less than 100%.

Section 2.7 Clean Up Call. In addition to Seller's rights pursuant to Section 1.3, Seller shall have the right (after providing at least two (2) Business Days' prior written notice to the Agent), at any time following the reduction of the Aggregate Capital to a level that is less than 20.0% of the original Purchase Limit, to repurchase from the Purchasers all, but not less than all, of the then outstanding Receivable Interests. The purchase price in respect thereof shall be an amount equal to the Aggregate Unpays through the date of such repurchase, payable in immediately available funds. Such repurchase shall be without representation, warranty or recourse of any kind by, on the part of, or against any Purchaser or the Agent.

ARTICLE III CP FUNDING

Section 3.1 CP Costs. Seller shall pay CP Costs with respect to the Capital associated with each Receivable Interest of Falcon for each day that any Capital in respect of such Receivable Interest is outstanding. Each Receivable Interest funded substantially with Pooled Commercial Paper will accrue CP Costs each day on a pro rata basis, based upon the

percentage share the Capital in respect of such Receivable Interest represents in relation to all assets held by Falcon and funded substantially with Pooled Commercial Paper.

Section 3.2 CP Costs Payments. On each Settlement Date, Seller shall pay to the Agent (for the benefit of Falcon) an aggregate amount equal to all accrued and unpaid CP Costs in respect of the Capital associated with all Receivable Interests of Falcon for the immediately preceding Accrual Period in accordance with Article II.

Section 3.3 Calculation of CP Costs. On or before the third (3rd) Business Day immediately preceding each Settlement Date, Falcon shall calculate the aggregate amount of CP Costs for the applicable Accrual Period and shall notify Seller of such aggregate amount.

ARTICLE IV FINANCIAL INSTITUTION FUNDING

Section 4.1 Financial Institution Funding. Each Receivable Interest of the Financial Institutions shall accrue Yield for each day during its Tranche Period at either the LIBO Rate or the Base Rate in accordance with the terms and conditions hereof. Until Seller gives notice to the Agent of another Bank Rate in accordance with Section 4.4, the initial Bank Rate for any Receivable Interest transferred to the Financial Institutions pursuant to the terms and conditions hereof shall be the Base Rate. If the Financial Institutions acquire by assignment from Falcon any Receivable Interest pursuant to Article XIII, each Receivable Interest so assigned shall be deemed to have a new Tranche Period commencing on the date of any such assignment.

Section 4.2 Yield Payments. On the Settlement Date for each Receivable Interest of the Financial Institutions, Seller shall pay to the Agent (for the benefit of the Financial Institutions) an aggregate amount equal to the accrued and unpaid Yield for the entire Tranche Period of each such Receivable Interest in accordance with Article II.

Section 4.3 Selection and Continuation of Tranche Periods.

(a) With consultation from the Agent, Seller shall from time to time request Tranche Periods for the Receivable Interests of the Financial Institutions (if any), provided that, if at any time the Financial Institutions shall have a Receivable Interest, Seller shall always request Tranche Periods such that at least one Tranche Period shall end on the date specified in clause (A) of the definition of Settlement Date.

(b) Seller or the Agent, upon notice to and consent by the other received at least three (3) Business Days prior to the end of a Tranche Period (the "Terminating Tranche") for any Receivable Interest, may, effective on the last day of the Terminating Tranche: (i) divide any such Receivable Interest into multiple Receivable Interests, (ii) combine any such Receivable Interest with one or more other Receivable Interests that have a Terminating Tranche ending on the same day as such Terminating Tranche or (iii) combine any such Receivable Interest with one or more new Receivable Interests to be purchased on the day such Terminating

Tranche ends, provided, that in no event may a Receivable Interest of Falcon be combined with a Receivable Interest of the Financial Institutions.

Section 4.4 Financial Institution Bank Rates. Seller may select the LIBO Rate or the Base Rate for each Receivable Interest of the Financial Institutions. Seller shall by 11:00 a.m. (Chicago time): (i) at least three (3) Business Days prior to the expiration of any Terminating Tranche with respect to which the LIBO Rate is being requested as the Bank Rate and (ii) except as provided in the last sentence of Section 4.1 and the last sentence of this Section 4.4, at least one (1) Business Day prior to the expiration of any Terminating Tranche with respect to which the Base Rate is being requested as the Bank Rate, give the Agent irrevocable notice of such Bank Rate for the Receivable Interest associated with such Terminating Tranche. Until Seller gives notice to the Agent of another Bank Rate, the initial Bank Rate for any Receivable Interest transferred to the Financial Institutions pursuant to the terms and conditions hereof shall be the Base Rate.

Section 4.5 Suspension of the LIBO Rate. (a) If any Financial Institution notifies the Agent that it has determined that (i) funding its Pro Rata Share of the Receivable Interests of the Financial Institutions at a LIBO Rate would violate any applicable law, rule, regulation, or directive of any governmental or regulatory authority, whether or not having the force of law, (ii) deposits of a type and maturity appropriate to match fund its Receivable Interests at such LIBO Rate are not available or (iii) such LIBO Rate does not accurately reflect the cost of acquiring or maintaining a Receivable Interest at such LIBO Rate, then the Agent shall suspend the availability of such LIBO Rate and require Seller to select the Base Rate for any Receivable Interest accruing Yield at such LIBO Rate; provided, that before making any such suspension, the applicable Financial Institution shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, in its reasonable discretion, in any legal, economic or regulatory manner) to designate a different LIBO Rate lending office if the making of such designation would allow such Financial Institution or its LIBO Rate lending office to continue to fund its Pro Rata Share of the Purchaser Interests at a LIBO Rate and avoid the situations set forth in clauses (i)-(iii) in this Section 4.5(a).

(b) If less than all of the Financial Institutions give a notice to the Agent pursuant to Section 4.5(a), each Financial Institution which gave such a notice shall be obliged, at the request of Seller, Falcon or the Agent, to assign all of its rights and obligations hereunder to (i) another Financial Institution or (ii) another funding entity nominated by Seller or the Agent that is acceptable to Falcon and willing to participate in this Agreement through the Liquidity Termination Date in the place of such notifying Financial Institution; provided that (x) the notifying Financial Institution receives payment in full, pursuant to an Assignment Agreement, of an amount equal to such notifying Financial Institution's Pro Rata Share of the Capital and Yield owing to all of the Financial Institutions and all accrued but unpaid fees and other costs and expenses payable in respect of its Pro Rata Share of the Receivable Interests of the Financial Institutions, and (y) the replacement Financial Institution otherwise satisfies the requirements of Section 12.1(b).

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Seller Parties. Each Seller Party hereby represents and warrants to the Agent and the Purchasers, as to itself, as of the date hereof and as of the date of each Incremental Purchase and the date of each Reinvestment that:

(a) Corporate Existence and Power. Such Seller Party is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation. Such Seller Party is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted except where the failure to so qualify or so hold could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization, Execution and Delivery. The execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder and, in the case of Seller, Seller's use of the proceeds of purchases made hereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which such Seller Party is a party has been duly executed and delivered by such Seller Party.

(c) No Conflict. The execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, except where such contravention or violation could not reasonably be expected to have a Material Adverse Effect, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound, except where such contravention or violation could not reasonably be expected to have a Material Adverse Effect, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, except where such contravention or violation could not reasonably be expected to have a Material Adverse Effect, and do not result in the creation or imposition of any Adverse Claim on assets of such Seller Party or its Subsidiaries (except as created under the Transaction Documents); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

(e) Actions, Suits. There are no actions, suits or proceedings pending, or to the best of Seller's knowledge, threatened, against or affecting Seller, or any of its properties, in or before any court, arbitrator or other body. There are no actions, suits or proceedings pending,

or to the best of Servicer's knowledge, threatened, against or affecting Servicer, or any of its properties, in or before any court, arbitrator or other body, that could reasonably be expected to have a Material Adverse Effect. Such Seller Party is not in default with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect. This Agreement and each other Transaction Document to which such Seller Party is a party constitute the legal, valid and binding obligations of such Seller Party enforceable against such Seller Party in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished by such Seller Party or any of its Affiliates to the Agent or the Purchasers for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by such Seller Party or any of its Affiliates to the Agent or the Purchasers will be, true and accurate in every material respect on the date such information is stated or certified (except for certain erroneous reports regarding historical performance of the Receivables that were delivered prior to the date of this Agreement but corrected and re-submitted prior to the date of this Agreement) and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(h) Use of Proceeds. No proceeds of any purchase hereunder will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(i) Good Title. Immediately prior to each purchase hereunder, Seller shall be the legal and beneficial owner of the Receivables and Related Security with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed (or delivered to the Agent in form suitable for filing) all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Seller's ownership interest in each Receivable, its Collections and the Related Security.

(j) Perfection. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to, and shall, upon each purchase hereunder, transfer to the Agent for the benefit of the relevant Purchaser or Purchasers (and the Agent for the benefit of such Purchaser or Purchasers shall acquire from Seller) a valid and perfected first priority undivided percentage ownership or security interest in each Receivable existing or hereafter arising and in the Related Security and Collections with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed (or delivered to the Agent in form suitable for filing) all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all

appropriate jurisdictions to perfect the Agent's (on behalf of the Purchasers) ownership or security interest in the Receivables, the Related Security and the Collections.

(k) Places of Business and Locations of Records. The principal places of business and chief executive office of such Seller Party and the offices where it keeps all of its Records are located at the address(es) listed on Exhibit III or such other locations of which the Agent has been notified in accordance with Section 7.2(a) in jurisdictions where all action required by Section 14.4(a) has been taken and completed. Seller is organized as a corporation under the laws of the State of Delaware. Seller's Federal Employer Identification Number and Delaware organizational identification number are correctly set forth on Exhibit III.

(l) Collections. The conditions and requirements set forth in Section 7.1(j) and Section 8.2 have at all times been satisfied and duly performed. The names and addresses of all Collection Banks, together with the account numbers of the Collection Accounts of Seller at each Collection Bank and the post office box number of each Lock-Box, are listed on Exhibit IV. Seller has not granted any Person, other than the Agent as contemplated by this Agreement, dominion and control of any Lock-Box or Collection Account, or the right to take dominion and control of any such Lock-Box or Collection Account at a future time or upon the occurrence of a future event.

(m) Material Adverse Effect. (i) The initial Servicer represents and warrants that since December 31, 2000, no event has occurred that would have a material adverse effect on the financial condition or operations of the initial Servicer and its Subsidiaries, taken as a whole, or the ability of the initial Servicer to perform its obligations under this Agreement, and (ii) Seller represents and warrants that since the date of this Agreement, no event has occurred that would have a material adverse effect on (A) the financial condition or operations of Seller, (B) the ability of Seller to perform its obligations under the Transaction Documents, or (C) the collectibility of the Receivables generally or any material portion of the Receivables.

(n) Names. In the past five (5) years, Seller has not used any corporate names, trade names or assumed names other than the name in which it has executed this Agreement.

(o) Ownership of Seller. IDEX owns, directly or indirectly, 100% of the issued and outstanding capital stock of Seller, free and clear of any Adverse Claim. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of Seller.

(p) Not a Holding Company or an Investment Company. Such Seller Party is not a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. Such Seller Party is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

(q) Compliance with Law. Such Seller Party has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to

which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Seller represents and warrants that each Receivable, together with the Contract related thereto, does not contravene any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), and no part of such Contract is in violation of any such law, rule or regulation, except where such contravention or violation could not reasonably be expected to have a Material Adverse Effect.

(r) Compliance with Credit and Collection Policy. Such Seller Party has complied in all material respects with the Credit and Collection Policy with regard to each Receivable and the related Contract, and has not made any change to such Credit and Collection Policy, other than as permitted under Section 7.2(c) and in compliance with the notification requirements in Section 7.1(a)(vii).

(s) Payments to Transferor. With respect to each Receivable transferred to Seller under the Receivables Sale Agreement, Seller has given reasonably equivalent value to Transferor in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by Transferor of any Receivable under the Receivables Sale Agreement is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. ss.ss. 101 et seq.), as amended.

(t) Enforceability of Contracts. Seller represents and warrants that each Contract with respect to each Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(u) Eligible Receivables. Seller represents and warrants that each Receivable included in the Net Receivables Balance as an Eligible Receivable on the date of its purchase under the Receivables Sale Agreement was an Eligible Receivable on such purchase date.

(v) Net Receivables Balance. Seller has determined that, immediately after giving effect to each purchase hereunder, the Net Receivables Balance is at least equal to the sum of (i) the Aggregate Capital, plus (ii) the Aggregate Reserves.

(w) Accounting. The manner in which such Seller Party accounts for the transactions contemplated by this Agreement, the Receivables Sale Agreement and the Transfer Agreement does not jeopardize the true sale analysis.

(x) Purpose. Seller has determined that, from a business viewpoint, the purchases of the Receivables and related interests thereto from Transferor under the Receivables

Sale Agreement, and the sales of Receivable Interests to the Purchasers and the other transactions contemplated herein, are in the best interests of Seller.

Section 5.2 Financial Institution Representations and Warranties. Each Financial Institution hereby represents and warrants to the Agent and Falcon that:

(a) Existence and Power. Such Financial Institution is a corporation or a banking association duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all corporate power to perform its obligations hereunder.

(b) No Conflict. The execution and delivery by such Financial Institution of this Agreement and the performance of its obligations hereunder are within its corporate powers, have been duly authorized by all necessary corporate action, do not contravene or violate (i) its certificate or articles of incorporation or association or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on its assets. This Agreement has been duly authorized, executed and delivered by such Financial Institution.

(c) Governmental Authorization. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by such Financial Institution of this Agreement and the performance of its obligations hereunder.

(d) Binding Effect. This Agreement constitutes the legal, valid and binding obligation of such Financial Institution enforceable against such Financial Institution in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law).

ARTICLE VI CONDITIONS OF PURCHASES

Section 6.1 Conditions Precedent to Initial Incremental Purchase. The initial Incremental Purchase of a Receivable Interest under this Agreement is subject to the conditions precedent that the Agent shall have received on or before the date of such purchase (a) those documents listed on Schedule B, (b) all fees and expenses required to be paid on such date pursuant to the terms of this Agreement and the Fee Letter, and (c) a Monthly Report for the month of November.

Section 6.2 Conditions Precedent to All Purchases and Reinvestments. Each purchase of a Receivable Interest (other than pursuant to Section 13.1) and each Reinvestment shall be subject to the further conditions precedent that in the case of each such purchase or

Reinvestment: (a) the Servicer shall have delivered to the Agent on or prior to the date of such purchase, in form and substance satisfactory to the Agent, all Monthly Reports as and when due under Section 8.5; (b) the Facility Termination Date shall not have occurred; (c) the Agent shall have received such other approvals, opinions or documents as it may reasonably request; and (d) on the date of each such Incremental Purchase or Reinvestment, the following statements shall be true (and acceptance of the proceeds of such Incremental Purchase or Reinvestment shall be deemed a representation and warranty by Seller that such statements are then true):

(i) the representations and warranties set forth in Section 5.1 are true and correct on and as of the date of such Incremental Purchase or Reinvestment as though made on and as of such date;

(ii) (A) no event has occurred and is continuing, or would result from such Incremental Purchase or Reinvestment, that will constitute an Amortization Event, and (B), in the case of an Incremental Purchase, no event has occurred and is continuing, or would result from such Incremental Purchase that would constitute a Potential Amortization Event; and

(iii) the Aggregate Capital does not exceed the Purchase Limit and the aggregate Receivable Interests do not exceed 100%.

It is expressly understood that each Reinvestment shall, unless otherwise directed by the Agent or any Purchaser, occur automatically on each day that the Servicer shall receive any Collections without the requirement that any further action be taken on the part of any Person and notwithstanding the failure of Seller to satisfy any of the foregoing conditions precedent in respect of such Reinvestment. The failure of Seller to satisfy any of the foregoing conditions precedent in respect of any Reinvestment shall give rise to a right of the Agent, which right may be exercised at any time on demand of the Agent, to rescind the related purchase and direct Seller to pay to the Agent for the benefit of the Purchasers an amount equal to the Collections prior to the Amortization Date that shall have been applied to the affected Reinvestment.

ARTICLE VII COVENANTS

Section 7.1 Affirmative Covenants of the Seller Parties. Until the date on which the Aggregate Unpaid have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each Seller Party hereby covenants, as to itself, as set forth below:

(a) Financial Reporting. Such Seller Party will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with GAAP, and furnish or cause to be furnished to the Agent:

(i) Annual Reporting. Within 90 days after the close of each of its respective fiscal years, (A) a copy of the audited consolidated balance sheet of Transferor and its Subsidiaries as at the end of the year and the related consolidated statements of income, shareholders' equity and cash flows for such year, setting forth in each case in

comparative form the figures for the previous fiscal year, and accompanied by the opinion of Deloitte & Touche or another nationally-recognized independent public accounting firm which opinion shall state that such consolidated financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a consistent basis and which opinion shall not be qualified or limited, in either case, because of a restricted or limited examination by such public accounting firm of any material portion of Transferor's or any Subsidiary's records and shall be delivered to the Agent pursuant to a reliance letter between the Agent and such independent auditor in form and substance satisfactory to the Agent and (B) unaudited financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flows) for the Seller for such fiscal year.

(ii) Quarterly Reporting. Within 45 days after the close of the first three (3) quarterly periods of each of its respective fiscal years, (A) a copy of the unaudited consolidated balance sheet of Transferor and its Subsidiaries and (B) a copy of the unaudited balance sheet of Seller, in each case as at the close of each such period and in each case together with statements of income and retained earnings and a statement of cash flows for such Person(s) for the period from the beginning of such fiscal year to the end of such quarter.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit V signed by such Person's chief financial officer or treasurer and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

(iv) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of such Seller Party copies (which may be in electronic format) of all financial statements, reports and proxy statements so furnished.

(v) SEC Filings. Promptly upon the filing thereof, copies of all financial statements and regular, periodical or special reports (including Forms 10K, 10Q and 8K but not including Forms 3, 4 or 5) that Transferor or any Subsidiary may make to, or file with, the Securities and Exchange Commission.

(vi) Copies of Notices. Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than the Agent or Falcon, copies of the same.

(vii) Change in Credit and Collection Policy. At least thirty (30) days prior to the effectiveness of any material change in or material amendment to the Credit and Collection Policy, a copy of the Credit and Collection Policy then in effect and a notice (A) indicating such change or amendment, and (B) if such proposed change or amendment would be reasonably likely to adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables, requesting the Agent's consent thereto.

(viii) Other Information. Promptly, from time to time, such other information, documents, records or reports relating to the Receivables or the condition or operations, financial or otherwise, of such Seller Party as the Agent may from time to time reasonably request in order to protect the interests of the Agent and the Purchasers under or as contemplated by this Agreement.

(b) Notices. Such Seller Party will notify the Agent in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) Amortization Events or Potential Amortization Events. The occurrence of each Amortization Event and each Potential Amortization Event, by a statement of an Authorized Officer of such Seller Party.

(ii) Judgment and Proceedings. (1) The entry of any judgment or decree against the Servicer or any of its Subsidiaries if the aggregate amount of all judgments and decrees then outstanding against the Servicer and its Subsidiaries exceeds \$10,000,000 after deducting (a) the amount with respect to which the Servicer or any such Subsidiary is insured and with respect to which the insurer has assumed responsibility in writing, and (b) the amount for which the Servicer or any such Subsidiary is otherwise indemnified if the terms of such indemnification are satisfactory to the Agent, or (2) the entry of any judgment or decree or the institution of any litigation, arbitration proceeding or governmental proceeding against Seller.

(iii) Material Adverse Effect. The occurrence of any event or condition that has had, or could reasonably be expected to have, a Material Adverse Effect, including any dispute, litigation, investigation, proceeding or suspension between the Servicer and any governmental authority or the commencement of, or any material development in, any litigation or proceeding affecting the Servicer.

(iv) Termination Date. The occurrence of the "Termination Date" under and as defined in the Receivables Sale Agreement or the Transfer Agreement.

(v) Defaults Under Other Agreements. The occurrence of a default or an event of default under any other financing arrangement pursuant to which such Seller Party is a debtor or an obligor.

(vi) Downgrade of Transferor. Any downgrade in the rating of any Indebtedness of Transferor by Standard & Poor's Ratings Group or by Moody's Investors Service, Inc., setting forth the Indebtedness affected and the nature of such change.

(c) Compliance with Laws and Preservation of Corporate Existence. Such Seller Party will comply in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Such Seller Party will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign

corporation in each jurisdiction where its business is conducted except where the failure to so preserve and maintain or qualify could not reasonably be expected to have a Material Adverse Effect.

(d) Audits. Such Seller Party will furnish to the Agent from time to time such information with respect to it and the Receivables as the Agent may reasonably request. Such Seller Party will, from time to time during regular business hours as requested by the Agent upon reasonable notice and at the sole cost of such Seller Party, permit the Agent, or its agents or representatives (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, shall cause Transferor and each Originator to permit the Agent or its agents or representatives), (i) to examine and make copies of and abstracts from all Records in the possession or under the control of such Person relating to the Receivables and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of such Person for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to such Person's financial condition or the Receivables and the Related Security or any Person's performance under any of the Transaction Documents or any Person's performance under the Contracts and, in each case, with any of the officers or employees of Seller or the Servicer having knowledge of such matters; provided that such Seller Party shall not be required to pay for the costs of such audit if (x) collectively, the Seller Parties have paid the costs of two previous audits occurring during the same fiscal quarter as such audit, (y) no Amortization Event has occurred and (z) the results of all audits requested by the Agent have been acceptable to the Agent.

(e) Keeping and Marking of Records and Books.

(i) The Servicer will (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor and each Originator to) maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the immediate identification of each new Receivable and all Collections of and adjustments to each existing Receivable). The Servicer will (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor and each Originator to) give the Agent notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) Such Seller Party will (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor and each Originator to) (A) on or prior to the date hereof, mark its master data processing records and other books and records relating to the Receivable Interests with a legend, acceptable to the Agent, describing the Receivable Interests(1) and (B) upon the

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(1) E.g., Certain of the Receivables reflected herein have been sold to IDEX Corporation which, in turn, has sold or contributed them to IDEX Receivables Corporation. IDEX

request of the Agent following the occurrence of an Amortization Event: (x) mark each Contract with a legend describing the Receivable Interests and (y) deliver to the Agent all Contracts (including, without limitation, all multiple originals of any such Contract that constitutes an instrument, a certificated security or chattel paper under the UCC) relating to the Receivables.

(f) Compliance with Contracts and Credit and Collection Policy. Such Seller Party will (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor and each Originator to) timely and fully (i) perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables, and (ii) comply in all respects with the Credit and Collection Policy in regard to each Receivable and the related Contract.

(g) Performance and Enforcement of Receivables Sale Agreement. Seller will, and will require Transferor to, perform each of their respective obligations and undertakings under and pursuant to the Receivables Sale Agreement, will purchase Receivables thereunder in strict compliance with the terms thereof and will vigorously enforce the rights and remedies accorded to Seller under the Receivables Sale Agreement, and those rights and remedies of Transferor under the Transfer Agreement which rights have been transferred by Transferor to the Seller pursuant to the Receivables Sale Agreement. Seller will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Agent and the Purchasers as assignees of Seller) under the Receivables Sale Agreement and the Transfer Agreement as the Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Receivables Sale Agreement or the Transfer Agreement.

(h) Ownership. Seller will (or, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor or each Originator to) take all necessary action to (i) vest legal and equitable title to the Receivables, the Related Security and the Collections purchased by Transferor under the Transfer Agreement and by Seller under the Receivables Sale Agreement irrevocably in Seller, free and clear of any Adverse Claims other than Adverse Claims in favor of the Agent and the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Seller's interest in such Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of Seller therein as the Agent may reasonably request), and (ii) establish and maintain, in favor of the Agent, for the benefit of the Purchasers, a valid and perfected first priority undivided percentage ownership interest (and/or a valid and perfected first priority security interest) in all Receivables, Related Security and Collections to the full extent contemplated herein, free and clear of any Adverse Claims other than Adverse Claims in favor of the Agent for the benefit of the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments

Receivables Corporation has granted an undivided percentage ownership interest and/or a security interest in such Receivables to Bank One, NA, as Agent for various parties.

or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Agent's (for the benefit of the Purchasers) interest in such Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of the Agent for the benefit of the Purchasers as the Agent may reasonably request).

(i) Purchasers' Reliance. Seller acknowledges that the Purchasers are entering into the transactions contemplated by this Agreement in reliance upon Seller's identity as a legal entity that is separate from Transferor, any Originator or any Affiliate thereof other than Seller (each, an "IDEX Entity"). Therefore, from and after the date of execution and delivery of this Agreement, Seller shall take all reasonable steps, including, without limitation, all steps that the Agent or any Purchaser may from time to time reasonably request, to maintain Seller's identity as a separate legal entity and to make it manifest to third parties that Seller is an entity with assets and liabilities distinct from those of any IDEX Entity and not just a division of an IDEX Entity. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Seller will:

(A) conduct its own business in its own name and require that all full-time employees of Seller, if any, identify themselves as such and not as employees of any IDEX Entity (including, without limitation, by means of providing appropriate employees with business or identification cards identifying such employees as Seller's employees);

(B) compensate all employees, consultants and agents directly, from Seller's own funds, for services provided to Seller by such employees, consultants and agents and, to the extent any employee, consultant or agent of Seller is also an employee, consultant or agent of an IDEX Entity, allocate the compensation of such employee, consultant or agent between Seller and such IDEX Entity, on a basis that reflects the services rendered to Seller and such IDEX Entity;

(C) clearly identify its offices (by signage or otherwise) as its offices and, if such office is located in the offices of an IDEX Entity, Seller shall lease such office at a fair market rent;

(D) have a separate telephone number, which will be answered only in its name and separate stationery, invoices and checks in its own name;

(E) conduct all transactions with each IDEX Entity and the Servicer (including, without limitation, any delegation of its obligations hereunder as Servicer) strictly on an arm's-length basis, allocate all overhead expenses (including, without limitation, telephone and other utility charges) for items shared between Seller and any IDEX Entity on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(F) at all times have a Board of Directors consisting of not less than three members, at least one member of which is an Independent Director;

(G) observe all corporate formalities as a distinct entity, and ensure that all corporate actions relating to (A) the selection, maintenance or replacement of the Independent Director, (B) the dissolution or liquidation of Seller or (C) the initiation of, participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving Seller, are duly authorized by unanimous vote of its Board of Directors (including the Independent Director);

(H) maintain Seller's books and records separate from those of any IDEX Entity and otherwise readily identifiable as its own assets rather than assets of an IDEX Entity;

(I) prepare its financial statements separately from those of any IDEX Entity and insure that any consolidated financial statements of any IDEX Entity that include Seller and that are filed with the Securities and Exchange Commission or any other governmental agency have notes clearly stating that Seller is a separate corporate entity and that its assets will be available first and foremost to satisfy the claims of the creditors of Seller;

(J) except as herein specifically otherwise provided, maintain the funds or other assets of Seller separate from, and not commingled with, those of any IDEX Entity and only maintain bank accounts or other depository accounts to which Seller alone is the account party, into which Seller alone makes deposits and from which Seller alone (or the Agent hereunder) has the power to make withdrawals;

(K) pay all of Seller's operating expenses from Seller's own assets (except for certain payments by an IDEX Entity or other Persons pursuant to allocation arrangements that comply with the requirements of this Section 7.1(i));

(L) operate its business and activities such that it does not (A) engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking, other than the transactions contemplated and authorized by the Transaction Documents, or (B) create, incur, guarantee, assume or suffer to exist any indebtedness or other liabilities, whether direct or contingent, other than (1) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (2) the incurrence of obligations under this Agreement, (3) the incurrence of obligations, as expressly

contemplated in the Receivables Sale Agreement, to make payment to Transferor thereunder for the purchase of Receivables from Transferor under the Receivables Sale Agreement, and (4) the incurrence of operating expenses in the ordinary course of business of the type otherwise contemplated by this Agreement;

(M) maintain its corporate charter in conformity with this Agreement, such that it does not amend, restate, supplement or otherwise modify its Certificate of Incorporation or By-Laws in any respect that would impair its ability to comply with the terms or provisions of any of the Transaction Documents, including, without limitation, Section 7.1(i) of this Agreement;

(N) maintain the effectiveness of, and continue to perform under the Receivables Sale Agreement, such that it does not amend, restate, supplement, cancel, terminate or otherwise modify the Receivables Sale Agreement, or give any consent, waiver, directive or approval thereunder (including, without limitation, any consent, waiver, directive or approval in connection with the Transfer Agreement) or waive any default, action, omission or breach under the Receivables Sale Agreement or the Transfer Agreement or otherwise grant any indulgence thereunder, without (in each case) the prior written consent of the Agent;

(O) maintain its corporate separateness such that it does not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions, and except as otherwise contemplated herein) all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person, nor at any time create, have, acquire, maintain or hold any interest in any Subsidiary.

(P) maintain at all times the Required Capital Amount (as defined in the Receivables Sale Agreement) and refrain from making any dividend, distribution, redemption of capital stock or payment of any subordinated indebtedness which would cause the Required Capital Amount to cease to be so maintained; and

(Q) take such other actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion issued by Latham & Watkins, as counsel for Seller, in connection with the closing or initial Incremental Purchase under this Agreement and relating to substantive consolidation issues, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.

(j) Collections. Such Seller Party will cause (i) all Collections to be remitted to either a Lock-Box or a Collection Account, (ii) all proceeds from all Lock-Boxes to be

directly deposited by a Collection Bank into a Collection Account and (iii) each Lock-Box and Collection Account to be subject at all times to a Collection Account Agreement that is in full force and effect. In the event any payments relating to Receivables are remitted directly to Seller or any Affiliate of Seller, Seller will remit (or will cause all such payments to be remitted) directly to a Collection Bank and deposited into a Collection Account within two (2) Business Days following receipt thereof, and, at all times prior to such remittance, Seller will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of the Agent and the Purchasers. Seller will maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Collection Account and shall not grant the right to take dominion and control of any Lock-Box or Collection Account at a future time or upon the occurrence of a future event to any Person, except to the Agent as contemplated by this Agreement.

(k) Taxes. Such Seller Party will file all tax returns and reports required by law to be filed by it and will promptly pay all taxes and governmental charges at any time owing, except any such taxes which are not yet delinquent or are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books. Seller will (and, to the extent it may do so under the Receivables Sale Agreement and Transfer Agreement or under applicable law, will cause Transferor and each Originator to) pay when due any taxes payable in connection with the Receivables, exclusive of taxes on or measured by income or gross receipts of Falcon, the Agent or any Financial Institution.

(l) Insurance. Seller will maintain in effect, or cause to be maintained in effect, at Seller's own expense, such casualty and liability insurance as Seller shall deem appropriate in its good faith business judgment. Seller will pay, or cause to be paid, the premiums therefor. The foregoing requirements shall not be construed to negate, reduce or modify, and are in addition to, Seller's obligations hereunder.

(m) Payment to Transferor and Originators. With respect to the sale of each Receivable to Seller by Transferor, such sale shall be effected under, and in strict compliance with the terms of, the Receivables Sale Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to Transferor in respect of the purchase price for such Receivable. With respect to each Receivable purchased by Transferor from any Originator, such sale shall be effected under, and in strict compliance with the terms of, the Transfer Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to such Originator in respect of the purchase price for such Receivable.

Section 7.2 Negative Covenants of the Seller Parties. Until the date on which the Aggregate Unpays have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each Seller Party hereby covenants, as to itself, that:

(a) Name Change, Offices and Records. Seller will not (and will not permit Transferor or any Originator to) (i) make any change to its name (within the meaning of Section 9-507(c) of any applicable enactment of the UCC), identity, corporate structure or location of

books and records unless, at least fifteen (15) Business Days prior to the effective date of any such name change, change in corporate structure, change in location of its books and records, or change in trade or fictitious names, Seller notifies the Agent thereof and delivers to the Agent such financing statements (Forms UCC-1 and UCC-3) executed by Seller (if required under applicable law) which the Agent may reasonably request to reflect such name change, location change, change in corporate structure or fictitious name change or use, together with such other documents and instruments that the Agent may reasonably request in connection therewith and has taken all other steps to ensure that the Agent, for the benefit of itself and the Purchasers, continues to have a first priority, perfected ownership or security interest in the Receivables, the Related Security related thereto and any Collections thereon, or (ii) change its jurisdiction of organization unless the Agent shall have received from the Seller, prior to such change, (A) those items described in clause (i) hereof, and (B) if the Agent or any Purchaser shall so request, an opinion of counsel, in form and substance reasonably satisfactory to such Person, as to such organization and the Seller's, Transferor's or Originator's, as applicable, valid existence and good standing and the perfection and priority of the Agent's ownership or security interest in the Receivables, the Related Security and Collections.

(b) Change in Payment Instructions to Obligors. Except as may be required by the Agent pursuant to Section 8.2(b), such Seller Party will not add or terminate any bank as a Collection Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Collection Account, unless the Agent shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Collection Bank or a Collection Account or Lock-Box, an executed Collection Account Agreement with respect to the new Collection Account or Lock-Box; provided, however, that the Servicer may make changes in instructions to Obligors regarding payments if such new instructions require such Obligor to make payments to another existing Collection Account.

(c) Modifications to Contracts and Credit and Collection Policy. Such Seller Party will not, and will not permit Transferor or any Originator to, make any change to the Credit and Collection Policy that could adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables. Except as provided in Section 8.2(d), the Servicer will not, and will not permit Transferor or any Originator to, extend, amend or otherwise modify the terms of any Receivable or any Contract related thereto other than in accordance with the Credit and Collection Policy.

(d) Sales, Liens. Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Receivable arises, or any Lock-Box or Collection Account, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests therein in favor of the Agent and the Purchasers provided for herein), and Seller will defend the right, title and interest of the Agent and the Purchasers in, to and under any of the foregoing property, against all claims of third parties claiming through or under Seller,

Transferor or any Originator. Seller will not create or suffer to exist any mortgage, pledge, security interest, encumbrance, lien, charge or other similar arrangement on any of its inventory.

(e) Net Receivables Balance. At no time prior to the Amortization Date shall Seller permit the Net Receivables Balance to be less than an amount equal to the sum of (i) the Aggregate Capital plus (ii) the --- Aggregate Reserves.

(f) Termination Date Determination. Seller will not designate the "Termination Date" (as defined in the Receivables Sale Agreement), or send any written notice to Transferor in respect thereof, without the prior written consent of the Agent, except (i) with respect to the occurrence of such Termination Date arising pursuant to Section 5.1(d) of the Receivables Sale Agreement and (ii) in connection with the Seller's delivery to the Agent of a notice pursuant to clause (iv) of the definition of Amortization Date, provided that the Agent receives ten (10) Business Days' prior notice of such designated Termination Date and such date occurs on the Amortization Date designated by the Seller. Seller will not, and will not permit Transferor to designate the "Termination Date" (as defined in the Transfer Agreement), or send any written notice to any Originator in respect thereof, without the prior written consent of the Agent, except (i) with respect to the occurrence of such Termination Date arising pursuant to Section 5.1(d) of the Transfer Agreement and (ii) in connection with the Seller's delivery to the Agent of a notice pursuant to clause (iv) of the definition of Amortization Date, provided that the Agent receives ten (10) Business Days' prior notice of such designated Termination Date and such date occurs on the Amortization Date designated by the Seller.

(g) Restricted Junior Payments. From and after the occurrence and during the continuation of any Amortization Event, Seller will not make any Restricted Junior Payment if, after giving effect thereto, Seller would fail to meet its obligations set forth in Section 7.2(e).

ARTICLE VIII ADMINISTRATION AND COLLECTION

Section 8.1 Designation of Servicer. (a) The servicing, administration and collection of the Receivables shall be conducted by such Person (the "Servicer") so designated from time to time in accordance with this Section 8.1. IDEX is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms of this Agreement. The Agent may at any time following the occurrence of an Amortization Event designate as Servicer any Person to succeed IDEX or any successor Servicer.

(b) IDEX may delegate, and IDEX hereby advises the Purchasers and the Agent that it has delegated, to each Originator, as sub-servicer of the Servicer, certain of its duties and responsibilities as Servicer hereunder in respect of the Receivables originated by each such Originator. Without the prior written consent of the Agent and the Required Financial Institutions, IDEX shall not be permitted to delegate any of its duties or responsibilities as Servicer to any Person other than (i) Seller, (ii) the Originators as stated in the immediately preceding sentence and (iii) with respect to certain Charged-Off Receivables, outside collection agencies in accordance with its customary practices. Neither Seller nor any Originator shall be

permitted to further delegate to any other Person any of the duties or responsibilities of the Servicer delegated to it by IDEX. If at any time the Agent shall designate as Servicer any Person other than IDEX, all duties and responsibilities theretofore delegated by IDEX to Seller or any Originator may, at the discretion of the Agent, be terminated forthwith on notice given by the Agent to IDEX and Seller or such Originator, as applicable.

(c) Notwithstanding any delegation by IDEX pursuant to the foregoing subsection (b), (i) IDEX shall be and remain primarily liable to the Agent and the Purchasers for the full and prompt performance of all duties and responsibilities of the Servicer hereunder and (ii) the Agent and the Purchasers shall be entitled to deal exclusively with IDEX in matters relating to the discharge by the Servicer of its duties and responsibilities hereunder. The Agent and the Purchasers shall not be required to give notice, demand or other communication to any Person other than IDEX in order for communication to the Servicer and its sub-servicer or other delegate with respect thereto to be accomplished. IDEX, at all times that it is the Servicer, shall be responsible for providing any sub-servicer or other delegate of the Servicer with any notice given to the Servicer under this Agreement.

Section 8.2 Duties of Servicer.

(a) The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect each Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy.

(b) The Servicer will instruct all Obligor to pay all Collections directly to a Lock-Box or Collection Account. The Servicer shall effect a Collection Account Agreement substantially in the form of Exhibit VI with each bank party to a Collection Account at any time. In the case of any remittances received in any Lock-Box or Collection Account that shall have been identified, to the satisfaction of the Servicer, to not constitute Collections or other proceeds of the Receivables or the Related Security, the Servicer shall promptly remit such items to the Person identified to it as being the owner of such remittances. From and after the date the Agent delivers to any Collection Bank a Collection Notice pursuant to Section 8.3, the Agent may request that the Servicer, and the Servicer thereupon promptly shall instruct all Obligor with respect to the Receivables, to remit all payments thereon to a new depository account specified by the Agent and, at all times thereafter, Seller and the Servicer shall not deposit or otherwise credit, and shall not permit any other Person to deposit or otherwise credit to such new depository account any cash or payment item other than Collections.

(c) The Servicer shall administer the Collections in accordance with the procedures described herein and in Article II. The Servicer shall set aside and hold in trust for the account of Seller and the Purchasers their respective shares of the Collections in accordance with Article II. The Servicer shall, upon the request of the Agent, segregate, in a manner acceptable to the Agent, all cash, checks and other instruments received by it from time to time constituting Collections from the general funds of the Servicer or Seller prior to the remittance thereof in accordance with Article II. If the Servicer shall be required to segregate Collections pursuant to the preceding sentence, the Servicer shall segregate and deposit with a bank

designated by the Agent such allocable share of Collections of Receivables set aside for the Purchasers on the first Business Day following receipt by the Servicer of such Collections, duly endorsed or with duly executed instruments of transfer.

(d) The Servicer may, in accordance with the Credit and Collection Policy, extend the maturity of any Receivable or adjust the Outstanding Balance of any Receivable as the Servicer determines to be appropriate to maximize Collections thereof; provided, however, that such extension or adjustment shall not alter the status of such Receivable as a Delinquent Receivable or Charged-Off Receivable or limit the rights of the Agent or the Purchasers under this Agreement. Notwithstanding anything to the contrary contained herein, at any time after the occurrence of an Amortization Event, the Agent shall have the absolute and unlimited right to direct the Servicer to commence or settle any legal action with respect to any Receivable or to foreclose upon or repossess any Related Security.

(e) The Servicer shall hold in trust for Seller and the Purchasers all Records that (i) evidence or relate to the Receivables, the related Contracts and Related Security or (ii) are otherwise necessary or desirable to collect the Receivables and shall, as soon as practicable upon demand of the Agent, deliver or make available to the Agent all such Records, at a place selected by the Agent. The Servicer shall, as soon as practicable following receipt thereof turn over to Seller any cash collections or other cash proceeds received with respect to Indebtedness not constituting Receivables. The Servicer shall, from time to time at the request of the Agent or any Purchaser, furnish to such Person (promptly after any such request) a calculation of the amounts set aside for the Agent and the Purchasers pursuant to Article II.

(f) Any payment by an Obligor in respect of any indebtedness owed by it to the applicable Originator, Transferor or Seller shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Agent, be applied as a Collection of any Receivable of such Obligor (starting with the oldest such Receivable) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor.

Section 8.3 Collection Notices. The Agent is authorized at any time following the occurrence of an Amortization Event to date and to deliver to the Collection Banks the Collection Notices. Seller hereby transfers to the Agent for the benefit of the Purchasers, effective when the Agent delivers such notice, the exclusive ownership and control of each Lock-Box and the Collection Accounts. In case any authorized signatory of Seller whose signature appears on a Collection Account Agreement shall cease to have such authority before the delivery of such notice, such Collection Notice shall nevertheless be valid as if such authority had remained in force. Seller hereby authorizes the Agent, and agrees that the Agent shall be entitled to (i) endorse Seller's name on checks and other instruments representing Collections, (ii) enforce the Receivables, the related Contracts and the Related Security and (iii) take such action as shall be necessary or desirable to cause all cash, checks and other instruments constituting Collections of Receivables to come into the possession of the Agent rather than Seller.

Section 8.4 Responsibilities of Seller. Anything herein to the contrary notwithstanding, the exercise by the Agent and the Purchasers of their rights hereunder shall not release the Servicer, the applicable Originator, Transferor or Seller from any of their duties or obligations with respect to any Receivables or under the related Contracts. The Purchasers shall have no obligation or liability with respect to any Receivables or related Contracts, nor shall any of them be obligated to perform the obligations of Seller.

Section 8.5 Reports. The Servicer shall prepare and forward to the Agent (i) on the 15th day of each month (or if such day is not a Business Day, the immediately succeeding Business Day), and at such times as the Agent shall request at any time after the occurrence of a Potential Amortization Event or an Amortization Event, a Monthly Report and (ii) at such times as the Agent shall request at any time after the occurrence of a Potential Amortization Event or an Amortization Event, a listing by Obligor of all Receivables together with an aging of such Receivables. The Servicer shall prepare and forward to the Agent on any date an Originator becomes an Ineligible Originator, a revised version of the most recently delivered Monthly Report which excludes the Receivables originated by such Ineligible Originator.

Section 8.6 Servicing Fees. In consideration of IDEX's agreement to act as Servicer hereunder, the Purchasers hereby agree that, so long as IDEX shall continue to perform as Servicer hereunder, Seller shall pay over to IDEX a fee (the "Servicing Fee") on the first calendar day of each month, in arrears for the immediately preceding month, equal to one-twelfth of 1.0% per annum times the lesser of (i) the average daily Net Receivables Balance during such period and (ii) the average daily Aggregate Capital outstanding during such period, as compensation for its servicing activities.

ARTICLE IX AMORTIZATION EVENTS

Section 9.1 Amortization Events. The occurrence of any one or more of the following events shall constitute an Amortization Event:

(a) Any Seller Party shall fail (i) to make any payment or deposit required hereunder when due, or (ii) to perform or observe any term, covenant or agreement hereunder (other than as referred to in clause (i) of this paragraph (a), paragraph 9.1(e) and paragraph 9.1(k)) and such failure shall continue for three (3) consecutive Business Days.

(b) Any representation, warranty, certification or statement made by any Seller Party in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect when made or deemed made.

(c) Failure of Seller to pay any Indebtedness when due (taking into account any applicable period of grace) or the failure of Transferor to pay Indebtedness when due (taking into account any applicable period of grace) in excess of \$10,000,000; or the default by Seller or Transferor in the performance of any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or

to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any such Indebtedness of Seller or Transferor shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof.

(d) Seller, Servicer, Transferor or any of such Person's Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against Seller, Servicer, Transferor or any of such Person's Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (iii) Seller, Servicer, Transferor or any of such Person's Subsidiaries shall take any corporate action to authorize any of the actions set forth in clauses (i) or (ii) above in this subsection (d).

(e) Seller shall fail to comply with the terms of Section 2.6 hereof.

(f) As at the end of any calendar month, (i) the average of the Delinquency Ratios as at the end of such month and the two preceding months shall exceed 2.25%, (ii) the average of the Default Ratios as at the end of such month and the two preceding months shall exceed 2.75%, or (iii) the average of the Dilution Ratios as at the end of such month and the two preceding months shall exceed 5.00%.

(g) A Change of Control shall occur with respect to any Seller Party.

(h) (i) One or more final judgments for the payment of money shall be entered against Seller or (ii) one or more final judgments for the payment of money in an amount in excess of \$10,000,000, individually or in the aggregate, shall be entered against Transferor on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for fifteen (15) consecutive days without a stay of execution.

(i) (i) The "Termination Date" under and as defined in the Receivables Sale Agreement shall occur under the Receivables Sale Agreement or (ii) Seller or Transferor shall fail to perform any of their respective obligations and undertakings under or pursuant to the Receivables Sale Agreement or shall fail to vigorously enforce the rights and remedies accorded under the Receivables Purchase Agreement after the occurrence of such failure, or (iii) Transferor shall for any reason cease to transfer, or cease to have the legal capacity to transfer, or otherwise be incapable of transferring Receivables to Seller under the Receivables Sale Agreement.

(j) Transferor shall cease to perform any of its obligations and undertakings under or pursuant to the Transfer Agreement or shall fail to vigorously enforce its rights and remedies accorded under the Transfer Agreement.

(k) This Agreement shall terminate in whole or in part (except in accordance with its terms), or shall cease to be effective or to be the legally valid, binding and enforceable obligation of Seller, or any Obligor shall directly or indirectly contest in any manner such effectiveness, validity, binding nature or enforceability, or the Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority security interest in the Receivables, the Related Security and the Collections with respect thereto and the Collection Accounts.

(l) IDEX shall fail to satisfy Section 8.16 or any additional "financial covenant" under the IDEX Credit Agreement, as such agreement is in effect on the date hereof, without giving effect to any subsequent amendment or modification unless Bank One, NA, as the Agent hereunder, consents to such amendment or modification.

Section 9.2 Remedies. Upon the occurrence and during the continuation of an Amortization Event, the Agent may, or upon the direction of the Required Financial Institutions shall, take any of the following actions: (i) replace the Person then acting as Servicer, (ii) declare the Amortization Date to have occurred, whereupon the Amortization Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by each Seller Party; provided, however, that upon the occurrence of an Amortization Event described in Section 9.1(d), or of an actual or deemed entry of an order for relief with respect to Seller, Servicer or Transferor under the Federal Bankruptcy Code, the Amortization Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by each Seller Party, (iii) to the fullest extent permitted by applicable law, declare that the Default Fee shall accrue with respect to any of the Aggregate Unpaid outstanding at such time, (iv) deliver the Collection Notices to the Collection Banks, and (v) notify Obligors of the Purchasers' interest in the Receivables. The aforementioned rights and remedies shall be without limitation, and shall be in addition to all other rights and remedies of the Agent and the Purchasers otherwise available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnities by the Seller Parties. Without limiting any other rights that the Agent or any Purchaser may have hereunder or under applicable law, (A) Seller hereby agrees to indemnify (and pay upon demand to) the Agent and each Purchaser and their respective assigns, officers, directors, agents and employees (each, an "Indemnified Party") from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of the Agent or such Purchaser) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement or the acquisition, either directly or indirectly, by a Purchaser of an interest in the Receivables, and (B) the Servicer hereby agrees to indemnify (and pay upon demand to) each

Indemnified Party for Indemnified Amounts awarded against or incurred by any of them arising out of the Servicer's activities as Servicer hereunder excluding, however, in all of the foregoing instances under the preceding clauses (A) and (B):

(1) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(2) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or

(3) taxes imposed by the jurisdiction in which such Indemnified Party's principal executive office is located, on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the characterization for income tax purposes of the acquisition by the Purchasers of Receivable Interests as a loan or loans by the Purchasers to Seller secured by the Receivables, the Related Security, the Collection Accounts and the Collections;

provided, however, that nothing contained in this sentence shall limit the liability of any Seller Party or limit the recourse of the Purchasers to any Seller Party for amounts otherwise specifically provided to be paid by such Seller Party under the terms of this Agreement. Without limiting the generality of the foregoing indemnification, but subject to the exclusions in clauses (1), (2) and (3) above, Seller shall indemnify each Indemnified Party for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to Seller or the Servicer) relating to or resulting from:

(i) any representation or warranty made by any Seller Party, Transferor or any Originator (or any officers of any such Person) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any such Person pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) the failure by Seller, the Servicer, Transferor or any Originator to comply with any applicable law, rule or regulation with respect to any Receivable or Contract related thereto, or the nonconformity of any Receivable or Contract included therein with any such applicable law, rule or regulation or any failure of any Originator to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of Seller, the Servicer, Transferor or any Originator to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage suit, or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or service related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of an Incremental Purchase or a Reinvestment, the ownership of the Receivable Interests or any other investigation, litigation or proceeding relating to Seller, the Servicer (at any time Servicer is IDEX or one of its Affiliates), Transferor or any Originator in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any Amortization Event described in Section 9.1(d);

(x) any failure of Transferor to acquire and maintain legal and equitable title to, and ownership of any Receivable and the Related Security and Collections with respect thereto from the applicable Originator, free and clear of any Adverse Claim (other than as created under the Transaction Documents); or any failure of Transferor to give reasonably equivalent value to the applicable Originator under the Transfer Agreement in consideration of the transfer by such Originator of any Receivable, or any attempt by any Person to void such transfer under statutory provisions or common law or equitable action;

(xi) any failure of Seller to acquire and maintain legal and equitable title to, and ownership of any Receivable and the Related Security and Collections with respect thereto from Transferor, free and clear of any Adverse Claim (other than as created under the Transaction Documents); or any failure of Seller to give reasonably equivalent value to Transferor under the Receivables Sale Agreement in consideration of the transfer by Transferor of any Receivable, or any avoidance by any Person of such transfer under statutory provisions or common law or equitable action;

(xii) any failure to vest and maintain vested in the Agent for the benefit of the Purchasers, or to transfer to the Agent for the benefit of the Purchasers, legal and

equitable title to, and ownership of, a first priority perfected undivided percentage ownership interest (to the extent of the Receivable Interests contemplated hereunder) or security interest in the Receivables, the Related Security and the Collections, free and clear of any Adverse Claim (except as created by the Transaction Documents);

(xiii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof, whether at the time of any Incremental Purchase or Reinvestment or at any subsequent time;

(xiv) any action or omission by any Seller Party which reduces or impairs the rights of the Agent or the Purchasers with respect to any Receivable or the value of any such Receivable (other than such an action taken or omission made at the request of the Agent or any Purchaser or any action taken by the Servicer in accordance with the Credit and Collection Policy);

(xv) avoidance by any Person of any Incremental Purchase or Reinvestment hereunder under statutory provisions or common law or equitable action; and

(xvi) the failure of any Receivable included in the calculation of the Net Receivables Balance as an Eligible Receivable to be an Eligible Receivable at the time so included.

Notwithstanding the foregoing, to the extent that any Indemnified Amounts arising under clauses (i), (ii), (iii), (vii), (x) and (xi) above result from a misrepresentation, breach, action or omission by Transferor or any Originator, Seller shall be obligated to pay such Indemnified Amounts only to the extent it receives a payment in respect of such amounts pursuant to the Transfer Agreement or the Receivables Sale Agreement.

Section 10.2 Increased Cost and Reduced Return. If after the date hereof, any Funding Source shall be charged any fee, expense or increased cost on account of the adoption of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy) or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (a "Regulatory Change"): (i) that subjects any Funding Source to any charge or withholding on or with respect to any Funding Agreement or a Funding Source's obligations under a Funding Agreement, or on or with respect to the Receivables, or changes the basis of taxation of payments to any Funding Source of any amounts payable under any Funding Agreement (except for changes in the rate of tax on the overall net income of a Funding Source or taxes excluded by Section 10.1) or (ii) that imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of a Funding Source, or credit extended by a Funding Source pursuant to a Funding Agreement or (iii) that imposes any other condition the result of which is to increase the cost to a

Funding Source of performing its obligations under a Funding Agreement, or to reduce the rate of return on a Funding Source's capital as a consequence of its obligations under a Funding Agreement, or to reduce the amount of any sum received or receivable by a Funding Source under a Funding Agreement or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the Agent, Seller shall pay to the Agent, for the benefit of the relevant Funding Source, such amounts charged to such Funding Source or such amounts to otherwise compensate such Funding Source for such increased cost or such reduction.

Section 10.3 Other Costs and Expenses. Seller shall pay to the Agent and Falcon on demand all costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation (i) subject to Section 7.1(d), the cost of Falcon's auditors auditing the books, records and procedures of Seller, Transferor and each Originator and (ii) reasonable fees and out-of-pocket expenses of legal counsel for Falcon and the Agent (which such counsel may be employees of Falcon or the Agent) with respect thereto and with respect to advising Falcon and the Agent as to their respective rights and remedies under this Agreement. Seller shall pay to the Agent on demand any and all costs and expenses of the Agent and the Purchasers, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following an Amortization Event.

ARTICLE XI
THE AGENT

Section 11.1 Authorization and Action. Each Purchaser hereby designates and appoints Bank One to act as its agent hereunder and under each other Transaction Document, and authorizes the Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Agent by the terms of this Agreement and the other Transaction Documents together with such powers as are reasonably incidental thereto. The Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for the Agent. In performing its functions and duties hereunder and under the other Transaction Documents, the Agent shall act solely as agent for the Purchasers and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any Seller Party or any of such Seller Party's successors or assigns. The Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement, any other Transaction Document or applicable law. The appointment and authority of the Agent hereunder shall terminate upon the indefeasible payment in full of all Aggregate Unpaid. Each Purchaser hereby authorizes the Agent to execute each of the Uniform Commercial Code financing

statements and the Collection Account Agreements on behalf of such Purchaser (the terms of which shall be binding on such Purchaser).

Section 11.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement and each other Transaction Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 11.3 Exculpatory Provisions. Neither the Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Transaction Document (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Purchasers for any recitals, statements, representations or warranties made by any Seller Party contained in this Agreement, any other Transaction Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other Transaction Document or any other document furnished in connection herewith or therewith, or for any failure of any Seller Party to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in Article VI, or for the perfection, priority, condition, value or sufficiency of any collateral pledged in connection herewith. The Agent shall not be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Seller Parties. The Agent shall not be deemed to have knowledge of any Amortization Event or Potential Amortization Event unless the Agent has received notice from Seller or a Purchaser.

Section 11.4 Reliance by Agent. The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to Seller), independent accountants and other experts selected by the Agent. The Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of Falcon or the Required Financial Institutions or all of the Purchasers, as applicable, as it deems appropriate and it shall first be indemnified to its satisfaction by the Purchasers, provided that unless and until the Agent shall have received such advice, the Agent may take or refrain from taking any action, as the Agent shall deem advisable and in the best interests of the Purchasers. The Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of Falcon or the Required Financial Institutions or all of the Purchasers, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers.

Section 11.5 Non-Reliance on Agent and Other Purchasers. Each Purchaser expressly acknowledges that neither the Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Agent hereafter taken, including, without limitation, any review of the affairs of any Seller Party, shall be deemed to constitute any representation or warranty by the Agent. Each Purchaser represents and warrants to the Agent that it has and will, independently and without reliance upon the Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of Seller and made its own decision to enter into this Agreement, the other Transaction Documents and all other documents related hereto or thereto.

Section 11.6 Reimbursement and Indemnification. The Financial Institutions agree to reimburse and indemnify the Agent and its officers, directors, employees, representatives and agents ratably according to their Pro Rata Shares, to the extent not paid or reimbursed by the Seller Parties (i) for any amounts for which the Agent, acting in its capacity as Agent, is entitled to reimbursement by the Seller Parties hereunder and (ii) for any other expenses incurred by the Agent, in its capacity as Agent and acting on behalf of the Purchasers, in connection with the administration and enforcement of this Agreement and the other Transaction Documents.

Section 11.7 Agent in its Individual Capacity. The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with Seller or any Affiliate of Seller as though the Agent were not the Agent hereunder. With respect to the acquisition of Receivable Interests pursuant to this Agreement, the Agent shall have the same rights and powers under this Agreement in its individual capacity as any Purchaser and may exercise the same as though it were not the Agent, and the terms "Financial Institution," "Purchaser," "Financial Institutions" and "Purchasers" shall include the Agent in its individual capacity.

Section 11.8 Successor Agent. The Agent may, upon five days' notice to Seller and the Purchasers, and the Agent will, upon the direction of all of the Purchasers (other than the Agent, in its individual capacity) resign as Agent. If the Agent shall resign, then the Required Financial Institutions during such five-day period shall appoint from among the Purchasers a successor agent. If for any reason no successor Agent is appointed by the Required Financial Institutions during such five-day period, then effective upon the termination of such five day period, the Purchasers shall perform all of the duties of the Agent hereunder and under the other Transaction Documents and Seller and the Servicer (as applicable) shall make all payments in respect of the Aggregate Unpays directly to the applicable Purchasers and for all purposes shall deal directly with the Purchasers. After the effectiveness of any retiring Agent's resignation hereunder as Agent, the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI and Article X shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Agent under this Agreement and under the other Transaction Documents.

ARTICLE XII
ASSIGNMENTS; PARTICIPATIONS

Section 12.1 Assignments. (a) Seller and each Financial Institution hereby agree and consent to the complete or partial assignment by Falcon of all or any portion of its rights under, interest in, title to and obligations under this Agreement to the Financial Institutions pursuant to Section 13.1, to any commercial paper conduit administered by a Financial Institution which issues commercial paper rated at least A-1 by Standard & Poor's Ratings Group and P-1 by Moody's Investor Service, Inc. or, with the consent of Seller which consent shall not be unreasonably withheld or delayed, to any other Person; provided that the consent of the Seller shall not be required at any time after the occurrence of an Amortization Event; and upon such assignment, Falcon shall be released from its obligations so assigned. Further, Seller and each Financial Institution hereby agree that any assignee of Falcon of this Agreement or all or any of the Receivable Interests of Falcon shall have all of the rights and benefits under this Agreement as if the term "Falcon" explicitly referred to such party, and no such assignment shall in any way impair the rights and benefits of Falcon hereunder. Neither Seller nor the Servicer shall have the right to assign its rights or obligations under this Agreement.

(b) Any Financial Institution may at any time and from time to time assign to one or more Persons ("Purchasing Financial Institutions") all or any part of its rights and obligations under this Agreement pursuant to an assignment agreement, substantially in the form set forth in Exhibit VII hereto (the "Assignment Agreement") executed by such Purchasing Financial Institution and such selling Financial Institution. The consent of Falcon shall be required prior to the effectiveness of any such assignment, and, prior to the occurrence of an Amortization Event, the consent of Seller shall also be required prior to the effectiveness of any such assignment (which consent of Seller shall not be unreasonably withheld or delayed). Each assignee of a Financial Institution must (i) have a short-term debt rating of A-1 or better by Standard & Poor's Ratings Group and P-1 by Moody's Investor Service, Inc. and (ii) agree to deliver to the Agent, promptly following any request therefor by the Agent or Falcon, an enforceability opinion in form and substance satisfactory to the Agent and Falcon. Upon delivery of the executed Assignment Agreement to the Agent, such selling Financial Institution shall be released from its obligations hereunder to the extent of such assignment. Thereafter the Purchasing Financial Institution shall for all purposes be a Financial Institution party to this Agreement and shall have all the rights and obligations of a Financial Institution under this Agreement to the same extent as if it were an original party hereto and no further consent or action by Seller, the Purchasers or the Agent shall be required.

(c) Each of the Financial Institutions agrees that in the event that it shall cease to have a short-term debt rating of A-1 or better by Standard & Poor's Ratings Group and P-1 by Moody's Investor Service, Inc. (an "Affected Financial Institution"), such Affected Financial Institution shall be obliged, at the request of Falcon or the Agent, to assign all of its rights and obligations hereunder to (x) another Financial Institution or (y) another funding entity nominated by the Agent and acceptable to Falcon, and willing to participate in this Agreement through the Liquidity Termination Date in the place of such Affected Financial Institution; provided that the Affected Financial Institution receives payment in full, pursuant to an Assignment Agreement, of an amount equal to such Financial Institution's Pro Rata Share of the Aggregate Capital and

Yield owing to the Financial Institutions and all accrued but unpaid fees and other costs and expenses payable in respect of its Pro Rata Share of the Receivable Interests of the Financial Institutions.

Section 12.2 Participations. Any Financial Institution may, in the ordinary course of its business at any time sell to one or more Persons (each, a "Participant") participating interests in its Pro Rata Share of the Receivable Interests of the Financial Institutions, its obligation to pay Falcon its Acquisition Amounts or any other interest of such Financial Institution hereunder. Notwithstanding any such sale by a Financial Institution of a participating interest to a Participant, such Financial Institution's rights and obligations under this Agreement shall remain unchanged, such Financial Institution shall remain solely responsible for the performance of its obligations hereunder, and Seller, Falcon and the Agent shall continue to deal solely and directly with such Financial Institution in connection with such Financial Institution's rights and obligations under this Agreement. Each Financial Institution agrees that any agreement between such Financial Institution and any such Participant in respect of such participating interest shall not restrict such Financial Institution's right to agree to any amendment, supplement, waiver or modification to this Agreement, except for any amendment, supplement, waiver or modification described in Section 14.1(b)(i).

ARTICLE XIII LIQUIDITY FACILITY

Section 13.1 Transfer to Financial Institutions. Each Financial Institution hereby agrees, subject to Section 13.4, that immediately upon written notice from Falcon delivered on or prior to the Liquidity Termination Date, it shall acquire by assignment from Falcon, without recourse or warranty, its Pro Rata Share of one or more of the Receivable Interests of Falcon as specified by Falcon. Each such assignment by Falcon shall be made pro rata among all of the Financial Institutions, except for pro rata assignments to one or more Terminating Financial Institutions pursuant to Section 13.6. Each such Financial Institution shall, no later than 1:00 p.m. (Chicago time) on the date of such assignment, pay in immediately available funds (unless another form of payment is otherwise agreed between Falcon and any Financial Institution) to the Agent at an account designated by the Agent, for the benefit of Falcon, its Acquisition Amount. Unless a Financial Institution has notified the Agent that it does not intend to pay its Acquisition Amount, the Agent may assume that such payment has been made and may, but shall not be obligated to, make the amount of such payment available to Falcon in reliance upon such assumption. Falcon hereby sells and assigns to the Agent for the ratable benefit of the Financial Institutions, and the Agent hereby purchases and assumes from Falcon, effective upon the receipt by Falcon of the Falcon Transfer Price, the Receivable Interests of Falcon which are the subject of any transfer pursuant to this Article XIII.

Section 13.2 Transfer Price Reduction Yield. If the Adjusted Funded Amount is included in the calculation of the Falcon Transfer Price for any Receivable Interest, each Financial Institution agrees that the Agent shall pay to Falcon the Reduction Percentage of any Yield received by the Agent with respect to such Receivable Interest.

Section 13.3 Payments to Falcon. In consideration for the reduction of the Falcon Transfer Prices by the Falcon Transfer Price Reductions, effective only at such time as the aggregate amount of the Capital of the Receivable Interests of the Financial Institutions equals the Falcon Residual, each Financial Institution hereby agrees that the Agent shall not distribute to the Financial Institutions and shall immediately remit to Falcon any Yield, Collections or other payments received by it to be applied pursuant to the terms hereof or otherwise to reduce the Capital of the Receivable Interests of the Financial Institutions.

Section 13.4 Limitation on Commitment to Purchase from Falcon. Notwithstanding anything to the contrary in this Agreement, no Financial Institution shall have any obligation to purchase any Receivable Interest from Falcon, pursuant to Section 13.1 or otherwise, if:

(i) Falcon shall have voluntarily commenced any proceeding or filed any petition under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation or reorganization of Falcon or taken any corporate action for the purpose of effectuating any of the foregoing; or

(ii) involuntary proceedings or an involuntary petition shall have been commenced or filed against Falcon by any Person under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation or reorganization of Falcon and such proceeding or petition shall have not been dismissed.

Section 13.5 Defaulting Financial Institutions. If one or more Financial Institutions defaults in its obligation to pay its Acquisition Amount pursuant to Section 13.1 (each such Financial Institution shall be called a "Defaulting Financial Institution" and the aggregate amount of such defaulted obligations being herein called the "Falcon Transfer Price Deficit"), then upon notice from the Agent, each Financial Institution other than the Defaulting Financial Institutions (a "Non-Defaulting Financial Institution") shall promptly pay to the Agent, in immediately available funds, an amount equal to the lesser of (x) such Non-Defaulting Financial Institution's proportionate share (based upon the relative Commitments of the Non-Defaulting Financial Institutions, after excluding the Commitment of any Approved Unconditional Liquidity Providers) of the Falcon Transfer Price Deficit and (y) the unused portion of such Non-Defaulting Financial Institution's Commitment; provided, however, that if an Approved Unconditional Liquidity Provider is the Defaulting Financial Institution, the Non-Defaulting Financial Institutions shall have no obligation to pay any amount to the Agent pursuant to this Section 13.5 as a result of a default by such Approved Unconditional Liquidity Provider; provided, further, that in no event shall any Approved Unconditional Liquidity Provider be required to make any payment as a Non-Defaulting Financial Institution pursuant to this Section 13.5. A Defaulting Financial Institution shall forthwith upon demand pay to the Agent for the account of the Non-Defaulting Financial Institutions all amounts paid by each Non-Defaulting Financial Institution on behalf of such Defaulting Financial Institution, together with interest thereon, for each day from the date a payment was made by a Non-Defaulting Financial Institution until the date such Non-Defaulting Financial Institution has been paid such amounts in full, at a rate per annum equal to the Federal Funds Effective Rate plus two percent (2%). In addition, without prejudice to any other rights that Falcon may have under applicable

law, each Defaulting Financial Institution shall pay to Falcon forthwith upon demand, the difference between such Defaulting Financial Institution's unpaid Acquisition Amount and the amount paid with respect thereto by the Non-Defaulting Financial Institutions, together with interest thereon, for each day from the date of the Agent's request for such Defaulting Financial Institution's Acquisition Amount pursuant to Section 13.1 until the date the requisite amount is paid to Falcon in full, at a rate per annum equal to the Federal Funds Effective Rate plus two percent (2%).

Section 13.6 Terminating Financial Institutions.

(a) Each Financial Institution hereby agrees to deliver written notice to the Agent not more than 30 Business Days and not less than 5 Business Days prior to the Liquidity Termination Date indicating whether such Financial Institution intends to renew its Commitment hereunder. If any Financial Institution fails to deliver such notice on or prior to the date that is 5 Business Days prior to the Liquidity Termination Date, such Financial Institution will be deemed to have declined to renew its Commitment (each Financial Institution which has declined or has been deemed to have declined to renew its Commitment hereunder, a "Non-Renewing Financial Institution"). The Agent shall promptly notify Falcon of each Non-Renewing Financial Institution and Falcon, in its sole discretion, may (A) to the extent of Commitment Availability, declare that such Non-Renewing Financial Institution's Commitment shall, to such extent, automatically terminate on a date specified by Falcon on or before the Liquidity Termination Date or (B) upon one (1) Business Day's notice to such Non-Renewing Financial Institution assign to such Non-Renewing Financial Institution on a date specified by Falcon its Pro Rata Share of the aggregate Receivable Interests then held by Falcon, subject to, and in accordance with, Section 13.1. In addition, Falcon may, in its sole discretion, at any time (x) to the extent of Commitment Availability, declare that any Affected Financial Institution's Commitment shall automatically terminate on a date specified by Falcon or (y) assign to any Affected Financial Institution on a date specified by Falcon its Pro Rata Share of the aggregate Receivable Interests then held by Falcon, subject to, and in accordance with, Section 13.1 (each Affected Financial Institution or each Non-Renewing Financial Institution is hereinafter referred to as a "Terminating Financial Institution"). The parties hereto expressly acknowledge that any declaration of the termination of any Commitment, any assignment pursuant to this Section 13.6 and the order of priority of any such termination or assignment among Terminating Financial Institutions shall be made by Falcon in its sole and absolute discretion.

(b) Upon any assignment to a Terminating Financial Institution as provided in this Section 13.6, any remaining Commitment of such Terminating Financial Institution shall automatically terminate. Upon reduction to zero of the Capital of all of the Receivable Interests of a Terminating Financial Institution (after application of Collections thereto pursuant to Sections 2.2 and 2.3) all rights and obligations of such Terminating Financial Institution hereunder shall be terminated and such Terminating Financial Institution shall no longer be a "Financial Institution" hereunder; provided, however, that the provisions of Article X shall continue in effect for its benefit with respect to Receivable Interests held by such Terminating Financial Institution prior to its termination as a Financial Institution.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Waivers and Amendments. (a) No failure or delay on the part of the Agent or any Purchaser in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(b) No provision of this Agreement may be amended, supplemented, modified or waived except in writing in accordance with the provisions of this Section 14.1(b). Falcon, Seller and the Agent, at the direction of the Required Financial Institutions, may enter into written modifications or waivers of any provisions of this Agreement, provided, however, that no such modification or waiver shall:

(i) without the consent of each affected Purchaser, (A) extend the Liquidity Termination Date or the date of any payment or deposit of Collections by Seller or the Servicer, (B) reduce the rate or extend the time of payment of Yield or any CP Costs (or any component of Yield or CP Costs), (C) reduce any fee payable to the Agent for the benefit of the Purchasers, (D) except pursuant to Article XII hereof, change the amount of the Capital of any Purchaser, any Financial Institution's Pro Rata Share (except pursuant to Sections 13.1 or 13.5) or any Financial Institution's Commitment, (E) amend, modify or waive any provision of the definition of Required Financial Institutions or this Section 14.1(b), (F) consent to or permit the assignment or transfer by Seller of any of its rights and obligations under this Agreement, (G) change the definition of "Eligible Receivable," "Loss Reserve," "Dilution Reserve," "Yield and Servicer Reserve," "Delinquency Ratio," "Default Ratio," "Dilution Ratio" or "Concentration Limit" or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses; or

(ii) without the written consent of the then Agent, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Agent.

Notwithstanding the foregoing, (i) without the consent of the Financial Institutions, but with the consent of Falcon, the Agent may amend this Agreement solely to add additional Persons as Financial Institutions hereunder and (ii) the Agent, the Required Financial Institutions and Falcon may enter into amendments to modify any of the terms or provisions of Article XI, Article XII, Section 14.13 or any other provision of this Agreement without the consent of Seller, provided that such amendment has no negative impact upon Seller. Any modification or waiver made in accordance with this Section 14.1 shall apply to each of the Purchasers equally and shall be binding upon Seller, the Purchasers and the Agent.

Section 14.2 Notices. Except as provided in this Section 14.2, all communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or telecopy numbers set forth on the signature pages hereof or at such other address or telecopy number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective if given by telecopy, upon the receipt thereof, if given by mail, three (3) Business Days after the time such communication is deposited in the mail with first class postage prepaid or if given by any other means, when received at the address specified in this Section 14.2. Seller hereby authorizes the Agent to effect purchases and Tranche Period and Bank Rate selections based on telephonic notices made by any Person whom the Agent in good faith believes to be acting on behalf of Seller. Seller agrees to deliver promptly to the Agent a written confirmation of each telephonic notice signed by an authorized officer of Seller; provided, however, the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs from the action taken by the Agent, the records of the Agent shall govern absent manifest error.

Section 14.3 Ratable Payments. If any Purchaser, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaid owing to such Purchaser (other than payments received pursuant to Section 10.2 or 10.3) in a greater proportion than that received by any other Purchaser entitled to receive a ratable share of such Aggregate Unpaid, such Purchaser agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Aggregate Unpaid held by the other Purchasers so that after such purchase each Purchaser will hold its ratable proportion of such Aggregate Unpaid; provided that if all or any portion of such excess amount is thereafter recovered from such Purchaser, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 14.4 Protection of Ownership Interests of the Purchasers. (a) Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or desirable, or that the Agent may request, to perfect, protect or more fully evidence the Receivable Interests, or to enable the Agent or the Purchasers to exercise and enforce their rights and remedies hereunder. At any time after the occurrence of an Amortization Event, the Agent may, or the Agent may direct Seller or the Servicer to, notify the Obligors of Receivables, at Seller's expense, of the ownership or security interests of the Purchasers under this Agreement and may also direct that payments of all amounts due or that become due under any or all Receivables be made directly to the Agent or its designee. Seller or the Servicer (as applicable) shall, at any Purchaser's request, withhold the identity of such Purchaser in any such notification.

(b) If any Seller Party fails to perform any of its obligations hereunder, the Agent or any Purchaser may (but shall not be required to) perform, or cause performance of, such obligations, and the Agent's or such Purchaser's costs and expenses incurred in connection therewith shall be payable by Seller as provided in Section 10.3. Each Seller Party irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent, and appoints the Agent as its attorney-in-fact, to act on behalf of such Seller Party (i) to execute on

behalf of Seller as debtor and to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Purchasers in the Receivables and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Receivables as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Purchasers in the Receivables. This appointment is coupled with an interest and is irrevocable.

Section 14.5 Confidentiality. (a) Each Seller Party and each Purchaser shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement and the other confidential or proprietary information with respect to the Agent and Falcon and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that such Seller Party and such Purchaser and its officers and employees may disclose such information to such Seller Party's and such Purchaser's external accountants, attorneys, and, except with respect to the terms of the Fee Letter, financial advisors, and in any case as required by any applicable law (including, without limitation, applicable securities laws) or order of any judicial or administrative proceeding.

(b) Anything herein to the contrary notwithstanding, each Seller Party hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Agent, the Financial Institutions or Falcon by each other, (ii) by the Agent or the Purchasers to any prospective or actual assignee or participant of any of them and (iii) by the Agent to any rating agency, Commercial Paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to Falcon or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which Bank One acts as the administrative agent and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided, that such Person is advised of the confidential nature of such information and agrees (to the extent required under Regulation FD promulgated by the Securities and Exchange Commission from time to time pursuant to the Securities Act of 1933) to maintain the confidentiality thereof. In addition, the Purchasers and the Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

Section 14.6 Bankruptcy Petition. Seller, the Servicer, the Agent and each Financial Institution hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of Falcon or any Unconditional Liquidity Provider, it will not institute against, or join any other Person in instituting against, Falcon or any such entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Section 14.7 Limitation of Liability. Except with respect to any claim arising out of the willful misconduct or gross negligence of any party hereto, no claim may be made by any other party or any other Person against such first party or its respective Affiliates, directors,

officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each party hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor; provided, however, that nothing in this Section 14.7 shall limit in any way the indemnification obligations of the Seller Parties set forth in Article X.

Section 14.8 CHOICE OF LAW. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS.

Section 14.9 CONSENT TO JURISDICTION. EACH SELLER PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SUCH PERSON PURSUANT TO THIS AGREEMENT AND EACH SELLER PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENT OR ANY PURCHASER TO BRING PROCEEDINGS AGAINST ANY SELLER PARTY IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY SELLER PARTY AGAINST THE AGENT OR ANY PURCHASER OR ANY AFFILIATE OF THE AGENT OR ANY PURCHASER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SUCH SELLER PARTY PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

Section 14.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED BY ANY SELLER PARTY PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

Section 14.11 Integration; Binding Effect; Survival of Terms.

(a) This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; provided, however, that the rights and remedies with respect to (i) any breach of any representation and warranty made by any Seller Party pursuant to Article V, (ii) the indemnification and payment provisions of Article X, and Sections 14.5 and 14.6 shall be continuing and shall survive any termination of this Agreement.

Section 14.12 Counterparts; Severability; Section References.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Unless otherwise expressly indicated, all references herein to "Article," "Section," "Schedule" or "Exhibit" shall mean articles and sections of, and schedules and exhibits to, this Agreement.

Section 14.13 Bank One Roles. Each of the Financial

Institutions acknowledges that Bank One acts, or may in the future act, (i) as administrative agent for Falcon or any Financial Institution, (ii) as issuing and paying agent for the Commercial Paper, (iii) to provide credit or liquidity enhancement for the timely payment for the Commercial Paper and (iv) to provide other services from time to time for Falcon or any Financial Institution (collectively, the "Bank One Roles"). Without limiting the generality of this Section 14.13, each Financial Institution hereby acknowledges and consents to any and all Bank One Roles and agrees that in connection with any Bank One Role, Bank One may take, or refrain from taking, any action that it, in its discretion, deems appropriate, including, without limitation, in its role as administrative agent for Falcon, and the giving of notice to the Agent of a mandatory purchase pursuant to Section 13.1.

Section 14.14 Characterization.

(a) Except as specifically provided in this Agreement, each sale of a Purchaser Interest hereunder is made without recourse to Seller; provided, however, that (i) Seller shall be liable to each Purchaser and the Agent for all representations, warranties, covenants and indemnities made by Seller pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser or the Agent or any assignee thereof of any obligation of Seller, Transferor or any Originator or any other Person arising in connection with the Receivables, the Related Security, or the related Contracts, or any other obligations of Seller, Transferor or any Originator.

(b) In addition to any ownership interest which the Agent may from time to time acquire pursuant hereto, Seller hereby grants to the Agent for the ratable benefit of the Purchasers a valid and perfected security interest in all of Seller's right, title and interest in, to

and under all Receivables now existing or hereafter arising, the Collections, each Lock-Box, each Collection Account, all Related Security, all other rights and payments relating to such Receivables, the Receivables Sale Agreement and the Transfer Agreement (including, without limitation, (a) all rights to indemnification arising thereunder, and (b) all UCC financing statements filed pursuant thereto), all proceeds of any thereof and all other assets in which the Agent on behalf of the Purchasers has acquired, may hereafter acquire and/or purports to have acquired an interest under this Agreement prior to all other liens on and security interests therein to secure the prompt and complete payment of the Aggregate Unpaid. The Agent and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative. The Seller hereby authorizes the Agent, within the meaning of 9-509 of any applicable enactment of the UCC, as secured party for the benefit of itself and of the Purchasers, to file, without the signature of the debtor, the UCC financing statements contemplated herein, under the Receivables Sale Agreement and under each Transfer Agreement.

(c) In connection with Seller's transfer of its right, title and interest in, to and under the Receivables Sale Agreement and the Transfer Agreement, the Seller agrees that the Agent shall have the right to enforce the Seller's rights and remedies under the Receivables Sale Agreement and Transferor's rights under the Transfer Agreement, to receive all amounts payable thereunder or in connection therewith, to consent to amendments, modifications or waivers thereof, and to direct, instruct or request any action thereunder, but in each case without any obligation on the part of the Agent or any Purchaser or any of its or their respective Affiliates to perform any of the obligations of the Seller or Transferor under the Receivables Sale Agreement or the Transfer Agreement. To the extent that the Seller enforces the Seller's or Transferor's rights and remedies under the Receivables Sale Agreement or the Transfer Agreement, from and after the occurrence of an Amortization Event, and during the continuance thereof, the Agent shall have the exclusive right to direct such enforcement by the Seller.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

IDEX RECEIVABLES CORPORATION,
as Buyer

By:

Frank J. Notaro
Vice President
Address: 630 Dundee Road, Suite 340
Northbrook, IL 60062
Attention: Douglas C. Lennox
Telephone: 847-509-1335
Fax 847-509-1335

With a copy to:
Nancy L. Schimmel, Esq.
Latham & Watkins
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, IL 60606

Fax: 312-993-9767

IDEX CORPORATION,
as Transferor

By:

Frank J. Notaro
Vice President - General Counsel and Secretary
Address: 630 Dundee Road, Suite 400
Northbrook, IL 60062
Attention: Douglas C. Lennox
Telephone: 847-498-7070
Fax 847-498-3940

With a copy to:
Nancy L. Schimmel, Esq.
Latham & Watkins
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, IL 60606

Fax: 312-993-9767

FALCON ASSET SECURITIZATION CORPORATION

By:

Name: Leo Loughhead
Title: Authorized Signatory

Address: c/o Bank One, NA (Main Office Chicago),
as Agent
Asset Backed Finance
Suite IL1-0079, 1-19
1 Bank One Plaza
Chicago, Illinois 60670-0079

Fax: (312) 732-1844

BANK ONE, NA (MAIN OFFICE CHICAGO),
as a Financial Institution and as
Agent

By: _____

Name: Leo Loughead
Title: Authorized Signatory

Address: Bank One, NA (Main Office Chicago)
Asset Backed Finance
Suite IL1-0596, 1-21
1 Bank One Plaza
Chicago, Illinois 60670-0596

Fax: (312) 732-4487

EXHIBIT I
DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Accrual Period" means each calendar month, provided that the initial Accrual Period hereunder means the period from (and including) the date of the initial purchase hereunder to (and including) the last day of the calendar month thereafter.

"Acquisition Amount" means, on the date of any purchase from Falcon of one or more Receivable Interests pursuant to Section 13.1, (a) with respect to each Financial Institution (other than any Unconditional Liquidity Provider), the lesser of (i) such Financial Institution's Pro Rata Share of the sum of (A) the lesser of (1) the Adjusted Liquidity Price of each such Receivable Interest and (2) the Capital of each such Receivable Interest and (B) all accrued and unpaid CP Costs for each such Receivable Interest and (ii) such Financial Institution's unused Commitment and (b) with respect to each Unconditional Liquidity Provider, the lesser of (i) such Unconditional Liquidity Provider's Pro Rata Share of the sum of (A) the Capital of each such Receivable Interest and (B) all accrued and unpaid CP Costs for each such Receivable Interest and (ii) such Unconditional Liquidity Provider's unused Commitment.

"Adjusted Funded Amount" means, in determining the Falcon Transfer Price for any Receivable Interest, an amount equal to the sum of (a) the Adjusted Liquidity Price of each such Receivable Interest and (b) an amount equal to each Unconditional Liquidity Provider's Pro Rata Share of the difference between (i) the Adjusted Liquidity Price of each such Receivable Interest and (ii) the Capital of each such Receivable Interest.

"Adjusted Liquidity Price" means an amount equal to:

$$RI[(i) DC + (ii) \frac{[NDR]}{1.04}]$$

where:

RI = the undivided percentage interest evidenced by such Receivable Interest.

DC = the Deemed Collections.

NDR = the Outstanding Balance of all Receivables as to which any payment, or part thereof, has not remained unpaid for 91 days or more from the original due date for such payment.

Each of the foregoing shall be determined from the most recent Monthly Report received from the Servicer.

"Adverse Claim" means a lien, security interest, financing statement, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person.

"Affected Financial Institution" has the meaning specified in Section 12.1(c).

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person or any Subsidiary of such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Agent" has the meaning set forth in the preamble to this Agreement.

"Aggregate Capital" means, on any date of determination, the aggregate amount of Capital of all Receivable Interests outstanding on such date.

"Aggregate Reduction" has the meaning specified in Section 1.3.

"Aggregate Reserves" means, on any date of determination, the sum of the Loss Reserve, the Dilution Reserve and the Yield and Servicer Reserve.

"Aggregate Unpaid" means, at any time, an amount equal to the sum of the Aggregate Capital and all other unpaid Obligations (whether due or accrued) at such time.

"Agreement" means this Receivables Purchase Agreement, as it may be amended or modified and in effect from time to time.

"Amortization Date" means the earliest to occur of (i) the day on which any of the conditions precedent set forth in Section 6.2 are not satisfied, (ii) the Business Day immediately prior to the occurrence of an Amortization Event set forth in Section 9.1(d), (iii) the Business Day specified in a written notice from the Agent following the occurrence of any other Amortization Event and (iv) the date which is ten (10) Business Days after the Agent's receipt of written notice from Seller that it wishes to terminate the facility evidenced by this Agreement.

"Amortization Event" has the meaning specified in Article IX.

"Approved Unconditional Liquidity Provider" means an Unconditional Liquidity Provider which has received approval from Standard & Poor's Ratings Group and Moody's Investors Service, Inc. to be relieved from any obligation to pay amounts as a Non-Defaulting Financial Institution pursuant to Section 13.5 hereof.

"Assignment Agreement" has the meaning set forth in Section 12.1(b).

"Authorized Officer" means, with respect to any Person, its president, corporate controller, treasurer or chief financial officer.

"Bank One" means Bank One, NA (Main Office Chicago) in its individual capacity and its successors.

"Bank Rate" means, the LIBO Rate or the Base Rate, as applicable, with respect to each Receivable Interest of the Financial Institutions.

"Base Rate" means a rate per annum equal to the corporate base rate, prime rate or base rate of interest, as applicable, announced by the Bank One or Bank One Corporation from time to time, changing when and as such rate changes.

"Broken Funding Costs" means for any Receivable Interest which: (i) has its Capital reduced without compliance by Seller with the notice requirements hereunder or (ii) does not become subject to an Aggregate Reduction following the delivery of any Reduction Notice or (iii) is assigned under Article XIII or terminated prior to the date on which it was originally scheduled to end; an amount equal to the excess, if any, of (A) the CP Costs or Yield (as applicable) that would have accrued during the remainder of the Tranche Periods or the tranche periods for Commercial Paper determined by the Agent to relate to such Receivable Interest (as applicable) subsequent to the date of such reduction, assignment or termination (or in respect of clause (ii) above, the date such Aggregate Reduction was designated to occur pursuant to the Reduction Notice) of the Capital of such Receivable Interest if such reduction, assignment or termination had not occurred or such Reduction Notice had not been delivered, over (B) the sum of (x) to the extent all or a portion of such Capital is allocated to another Receivable Interest, the amount of CP Costs or Yield actually accrued during the remainder of such period on such Capital for the new Receivable Interest, and (y) to the extent such Capital is not allocated to another Receivable Interest, the income, if any, actually received during the remainder of such period by the holder of such Receivable Interest from investing the portion of such Capital not so allocated (and the Purchasers agree to use reasonable efforts to maximize the proceeds of such investment). In the event that the amount referred to in clause (B) exceeds the amount referred to in clause (A), the relevant Purchaser or Purchasers agree to pay to Seller the amount of such excess. All Broken Funding Costs shall be due and payable hereunder upon demand.

"Business Day" means any day on which banks are not authorized or required to close in New York, New York or Chicago, Illinois and The Depository Trust Company of New York is open for business, and, if the applicable Business Day relates to any computation or payment to be made with respect to the LIBO Rate, any day on which dealings in dollar deposits are carried on in the London interbank market.

"Capital" of any Receivable Interest means, at any time, (A) the Purchase Price of such Receivable Interest, minus (B) the sum of the aggregate amount of Collections and other payments received by the Agent which in each case are applied to reduce such Capital in accordance with the terms and conditions of this Agreement; provided that such Capital shall be

restored (in accordance with Section 2.5) in the amount of any Collections or other payments so received and applied if at any time the distribution of such Collections or payments are rescinded, returned or refunded for any reason.

"Change of Control" means (i) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 30% or more of the issued and outstanding shares of Transferor's capital stock having the right to vote for the election of directors of Transferor under ordinary circumstances, (ii) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted Transferor's board of directors (together with any new directors whose election by Transferor's board of directors or whose nomination for election by Transferor's stockholders was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office, or (iii) the failure of Transferor to maintain ownership of 100% of the outstanding shares of voting stock of the Seller.

"Charged-Off Receivable" means a Receivable: (i) as to which the Obligor thereof has taken any action, or suffered any event to occur, of the type described in Section 9.1(d) (as if references to Seller Party therein refer to such Obligor); (ii) as to which the Obligor thereof, if a natural person, is deceased, (iii) which, consistent with the Credit and Collection Policy, would be written off Seller's books as uncollectible, (iv) which has been identified by Seller as uncollectible or (v) as to which any payment, or part thereof, remains unpaid for 91 days or more from the original due date for such payment.

"Collection Account" means each concentration account, depository account, lock-box account or similar account in which any Collections are collected or deposited and which is listed on Exhibit IV.

"Collection Account Agreement" means an agreement substantially in the form of Exhibit VI among the applicable Originator, Transferor, Seller, the Agent and a Collection Bank.

"Collection Bank" means, at any time, any of the banks holding one or more Collection Accounts.

"Collection Notice" means a notice, in substantially the form of Annex A to Exhibit VI, from the Agent to a Collection Bank.

"Collections" means, with respect to any Receivable, all cash collections and other cash proceeds in respect of such Receivable, including, without limitation, all yield, Finance Charges or other related amounts accruing in respect thereof and all cash proceeds of Related Security with respect to such Receivable.

"Commercial Paper" means promissory notes of Falcon issued by Falcon in the commercial paper market.

"Commitment" means, for each Financial Institution, the commitment of such Financial Institution to purchase Receivable Interests from (i) Seller and (ii) Falcon, in either case in an amount not to exceed (a) in the aggregate, the amount set forth opposite such Financial Institution's name on Schedule A to this Agreement, as such amount may be modified in accordance with the terms hereof (including, without limitation, any termination of Commitments pursuant to Section 13.6 hereof) and (b) with respect to any individual purchase hereunder, its Pro Rata Share of the Purchase Price therefor.

"Commitment Availability" means at any time the positive difference (if any) between (a) an amount equal to the aggregate amount of the Commitments minus an amount equal to 2% of such aggregate Commitments at such time minus (b) the Aggregate Capital at such time.

"Concentration Limit" means, at any time, for any Obligor, 2.667% of the Outstanding Balance of all Eligible Receivables, or such other amount (a "Special Concentration Limit") for such Obligor designated by the Agent; provided, that in the case of an Obligor and any Affiliate of such Obligor, the Concentration Limit shall be calculated as if such Obligor and such Affiliate are one Obligor; and provided, further, that Falcon or the Required Financial Institutions may, upon not less than three Business Days' notice to Seller, cancel any Special Concentration Limit.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit.

"Contract" means, with respect to any Receivable, any and all instruments, agreements, invoices or other writings pursuant to which such Receivable arises or which evidences such Receivable.

"CP Costs" means, for each day, the sum of (i) discount or yield accrued on Pooled Commercial Paper on such day, plus (ii) any and all accrued commissions in respect of placement agents and Commercial Paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs associated with funding small or odd-lot amounts with respect to all receivable purchase facilities which are funded by Pooled Commercial Paper for such day, minus (iv) any accrual of income net of expenses received on such day from investment of collections received under all receivable purchase facilities funded substantially with Pooled Commercial Paper, minus (v) any payment received on such day net of expenses in respect of Broken Funding Costs related to the prepayment of any Receivable Interest of Falcon pursuant to the terms of any receivable purchase facilities funded substantially with Pooled Commercial Paper. In addition to the foregoing costs, if Seller shall request any Incremental Purchase during any period of time determined by the Agent in its sole discretion to result in incrementally higher CP Costs

applicable to such Incremental Purchase, the Capital associated with any such Incremental Purchase shall, during such period, be deemed to be funded by Falcon in a special pool (which may include capital associated with other receivable purchase facilities) for purposes of determining such additional CP Costs applicable only to such special pool and charged each day during such period against such Capital.

"Credit and Collection Policy" means Seller's credit and collection policies and practices relating to Contracts and Receivables existing on the date hereof and summarized in Exhibit VIII hereto, as modified from time to time in accordance with this Agreement.

"Deemed Collections" means the aggregate of all amounts Seller shall have been deemed to have received as a Collection of a Receivable. Seller shall be deemed to have received a Collection of a Receivable if at any time (i) the Outstanding Balance of any such Receivable is either (x) reduced as a result of any defective or rejected goods or services, any discount or any adjustment or otherwise by Seller (other than cash Collections on account of the Receivables) or (y) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction) or (ii) any of the representations or warranties in Article V are no longer true with respect to any Receivable.

"Default Fee" means with respect to any amount due and payable by Seller (or required to be deposited by Servicer) in respect of any Aggregate Unpaid, an amount equal to interest on any such unpaid Aggregate Unpaid at a rate per annum equal to 2% above the Base Rate.

"Default Ratio" means, at any time, a percentage equal to (i) the aggregate Outstanding Balance of all Receivables that were Charged-Off Receivables at such time divided by (ii) the aggregate Outstanding Balance of all Receivables at such time.

"Defaulting Financial Institution" has the meaning set forth in Section 13.5.

"Delinquency Ratio" means, at any time, a percentage equal to (i) the aggregate Outstanding Balance of all Receivables that were Delinquent Receivables at such time divided by (ii) the aggregate Outstanding Balance of all Receivables at such time.

"Delinquent Receivable" means a Receivable, other than a Charged-Off Receivable, as to which any payment, or part thereof, remains unpaid for 61-90 days from the original due date for such payment.

"Dilution Horizon Ratio" means, as of the last day of any calendar month, a percentage equal to (i) the aggregate Originator Sales during the three (3) most recently ended calendar months divided by (ii) the aggregate Outstanding Balance of all Eligible Receivables as of such date.

"Dilution Percentage" means, as of the last day of any calendar month, a percentage equal to the greater of (i) 9.00% and (ii) the following calculation:

$$[(2 \times ED) + ((DS - ED) \times DS / ED)] \times DHR$$

where:

ED = the Expected Dilution Ratio at such time.
DS = the Dilution Spike Ratio at such time.
DHR = the Dilution Horizon Ratio at such time.

"Dilution Ratio" means, at any time, a percentage equal to (i) the aggregate amount of Dilutions which occurred during the calendar month then most recently ended, divided by (ii) the Originator Sales during the calendar month ending two (2) calendar months prior to such calendar month.

"Dilution Reserve" means, on any date, an amount equal to the Dilution Percentage multiplied by the Net Receivables Balance at such time.

"Dilutions" means, at any time, the aggregate amount of reductions or cancellations described in clause (i) of the definition of "Deemed Collections".

"Dilution Spike Ratio" means, as of the last day of any calendar month, a percentage equal to the highest three-month rolling average Dilution Ratio as of the last day of any of the twelve (12) months then most recently ended.

"Eligible Receivable" means, at any time, a Receivable:

(i) the Obligor of which (a) if a natural person, is a resident of the United States or, if a corporation or other business organization, is organized under the laws of the United States or any political subdivision thereof and has its chief executive office in the United States; (b) is not an Affiliate of any of the parties hereto; and (c) is not a government or a governmental subdivision or agency,

(ii) the Obligor of which is not the Obligor of any Charged-Off Receivables which in the aggregate constitute more than 25% of all Receivables of such Obligor,

(iii) which is not a Charged-Off Receivable or a Delinquent Receivable,

(iv) which (a) by its terms is due and payable within 30 days of the original billing date therefor or within 60 days of the original billing date therefor if the Outstanding Balance of such Receivable when added to the aggregate Outstanding Balance of all other Receivables due and payable within 60 days of the original billing date therefor does not exceed 5% of the aggregate Outstanding Balance of all Receivables and (b) has not had its payment terms extended,

(v) which is an "account" within the meaning of Section 9-102 of the UCC of all applicable jurisdictions,

(vi) which is denominated and payable only in United States dollars in the United States,

(vii) which arises under a Contract in substantially the form of one of the form contracts set forth on Exhibit IX hereto or otherwise approved by the Agent in writing, which, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense (other than potential discharge in bankruptcy) (it being understood that only a portion of a Receivable equal to the amount of such offset, counterclaim or defense shall be deemed not to be an Eligible Receivable),

(viii) which arises under a Contract which (A) does not require the Obligor under such Contract to consent to the transfer, sale or assignment of the rights and duties of the applicable Originator or any of its assignees under such Contract and (B) does not contain a confidentiality provision that purports to restrict the ability of any Purchaser to exercise its rights under this Agreement, including, without limitation, its right to review the Contract,

(ix) which arises under a Contract that contains an obligation to pay a specified sum of money, contingent only upon the sale of goods or the provision of services by the applicable Originator,

(x) which does not contravene any law, rule or regulation applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no part of the Contract related thereto is in violation of any such law, rule or regulation, except where such violation could not reasonably be expected to have a Material Adverse Effect,

(xi) which satisfies all applicable requirements of the Credit and Collection Policy,

(xii) which was generated in the ordinary course of the applicable Originator's business by an Originator that is not an Ineligible Originator,

(xiii) which arises solely from the sale of goods or the provision of services to the related Obligor by the applicable Originator, and not by any other Person (in whole or in part),

(xiv) as to which the Agent has not notified Seller that the Agent has determined that such Receivable or class of Receivables is not acceptable as an Eligible Receivable,

(xv) which is not subject to any right of rescission, set-off, counterclaim, any other defense (including defenses arising out of violations of usury laws) of the applicable Obligor against the applicable Originator or any other Adverse Claim, and the Obligor thereon holds no right as against the applicable Originator to cause such Originator to repurchase the goods or merchandise the sale of which shall have given rise to such Receivable (except with respect to sale discounts effected pursuant to the Contract, or defective goods returned in accordance with the terms of the Contract),

(xvi) as to which the applicable Originator has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, and no further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor, and

(xvii) all right, title and interest to and in which has been validly transferred (a) by the applicable Originator directly to Transferor under and in accordance with the Transfer Agreement, and (b) by Transferor directly to Seller under and in accordance with the Receivables Sale Agreement, and Seller has good and marketable title thereto free and clear of any Adverse Claim.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Expected Dilution Ratio" means, as of any date, the average of the Dilution Ratios in respect of the twelve (12) immediately preceding months.

"Facility Termination Date" means the earliest of (i) the Liquidity Termination Date, (ii) December 20, 2006 and (iii) the Amortization Date.

"Falcon" has the meaning set forth in the preamble to this Agreement.

"Falcon Residual" means the sum of the Falcon Transfer Price Reductions.

"Falcon Transfer Price" means, with respect to the assignment by Falcon of one or more Receivable Interests to the Agent for the benefit of one or more of the Financial Institutions pursuant to Section 13.1, the sum of (i) the lesser of (a) the Capital of each such Receivable Interest and (b) the Adjusted Funded Amount of each such Receivable Interest and (ii) all accrued and unpaid CP Costs for each such Receivable Interest.

"Falcon Transfer Price Deficit" has the meaning set forth in Section 13.5.

"Falcon Transfer Price Reduction" means in connection with the assignment of a Receivable Interest by Falcon to the Agent for the benefit of the Financial Institutions, the positive difference (if any) between (i) the Capital of such Receivable Interest and (ii) the Adjusted Funded Amount for such Receivable Interest.

"Federal Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as amended and any successor statute thereto.

"Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum for each day during such period equal to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York in the Composite Closing Quotations for U.S. Government Securities; or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:30 a.m. (Chicago time) for such day on such transactions received by the Agent from three federal funds brokers of recognized standing selected by it.

"Fee Letter" means that certain letter agreement dated as of the date hereof among Seller, Falcon and the Agent, as it may be amended or modified and in effect from time to time.

"Finance Charges" means, with respect to a Contract, any finance, interest, late payment charges or similar charges owing by an Obligor pursuant to such Contract.

"Financial Institutions" has the meaning set forth in the preamble in this Agreement.

"Funding Agreement" means this Agreement and any agreement or instrument executed by any Funding Source with or for the benefit of Falcon.

"Funding Source" means (i) any Financial Institution or (ii) any insurance company, bank or other funding entity providing liquidity, credit enhancement or back-up purchase support or facilities to Falcon in connection with this Agreement (either alone or together with other similar facilities).

"GAAP" means generally accepted accounting principles in effect in the United States of America as of the date of this Agreement.

"IDEX" has the meaning set forth in the preamble to this Agreement.

"IDEX Credit Agreement" means that certain Credit Agreement, dated as of June 8, 2001, among IDEX, Bank of America, N.A., as agent and issuing bank, and the other financial institutions party thereto, without giving effect to any amendments or other modifications thereto from and after the date hereof.

"IDEX Entity" has the meaning set forth in Section 7.1(i).

"Incremental Purchase" means a purchase of one or more Receivable Interests which increases the total outstanding Aggregate Capital hereunder.

"Indebtedness" of a Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person,

(iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) capitalized lease obligations, (vi) net liabilities under interest rate swap, exchange or cap agreements, (vii) Contingent Obligations and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Independent Director" shall mean a member of the Board of Directors of Seller who satisfies the requirements for an "Independent Director" as set forth in the Seller's Certificate of Incorporation.

"Ineligible Originator" means an Originator with respect to which any of the following shall occur, from and after the date of such occurrence:

(i) Such Originator shall fail to pay any Indebtedness when due (taking into account any applicable period of grace) in excess of \$2,500,000 or default in the performance of any term, provision or condition contained in any agreement under which such Indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity, or any such Indebtedness of such Originator shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof,

(ii) (a) Such Originator shall generally fail to pay its debts as such debts become due or admit in writing its inability to pay its debts generally or make a general assignment for the benefit of creditors; or (b) any proceeding shall be instituted by or against such Originator seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of such Originator or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (c) such Originator shall take any corporate action to authorize any of the actions set forth in clauses (a) or (b) above,

(iii) Transferor shall fail to maintain ownership of at least 70% of the outstanding shares of voting stock of such Originator,

(iv) One or more final judgments for the payment of money in an amount in excess of \$2,500,000, individually or in the aggregate, shall be entered against such Originator on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for fifteen (15) consecutive days without stay of execution, or

(v) (a) The "Termination Date" under and as defined in the Transfer Agreement shall occur with respect to such Originator, (b) such Originator shall cease to perform any of its obligations and undertakings under or pursuant to the Transfer Agreement or (c) such Originator shall for any reason cease to transfer, or cease to have

the legal capacity to transfer, or otherwise be incapable of transferring Receivables to Transferor under the Transfer Agreement.

"LIBO Rate" means the rate per annum equal to the sum of (i) (a) the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of the relevant Tranche Period, and having a maturity equal to such Tranche Period, provided that, (x) if Reuters Screen FRBD is not available to the Agent for any reason, the applicable LIBO Rate for the relevant Tranche Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Tranche Period, and having a maturity equal to such Tranche Period, and (y) if no such British Bankers' Association Interest Settlement Rate is available to the Agent, the applicable LIBO Rate for the relevant Tranche Period shall instead be the rate determined by the Agent to be the rate at which Bank One offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Tranche Period, in the approximate amount to be funded at the LIBO Rate and having a maturity equal to such Tranche Period, divided by (b) one minus the maximum aggregate reserve requirement (including all basic, supplemental, marginal or other reserves) which is imposed against the Agent in respect of Eurocurrency liabilities, as defined in Regulation D of the Board of Governors of the Federal Reserve System as in effect from time to time (expressed as a decimal), applicable to such Tranche Period plus (ii) the Applicable Rate (under and as defined in the IDEX Credit Agreement) per annum. The LIBO Rate shall be rounded, if necessary, to the next higher 1/16 of 1%.

"Liquidity Termination Date" means December 19, 2002.

"Lock-Box" means each locked postal box with respect to which a bank who has executed a Collection Account Agreement has been granted exclusive access for the purpose of retrieving and processing payments made on the Receivables and which is listed on Exhibit IV.

"Loss Horizon Ratio" means, as of the last day of any calendar month, a percentage equal to (i) the aggregate Originator Sales during the four-month period ended on such date, divided by (ii) the aggregate Outstanding Balance of all Eligible Receivables as of such date.

"Loss Percentage" means, at any time, the greater of (i) 8.00% and (ii) (A) two (2), times (B) the Loss Ratio, times (C) the Loss Horizon Ratio (in each case as determined as of the last day of the calendar month then most recently ended).

"Loss Ratio" means, as of the last day of any calendar month, a percentage equal to the highest three-month rolling average Default Ratio as of the last day of any of the twelve (12) months then most recently ended.

"Loss Reserve" means, on any date, an amount equal to the Loss Percentage multiplied by the Net Receivables Balance at such time.

"Material Adverse Effect" means a material adverse effect on (i) the financial condition or operations of any Seller Party and its Subsidiaries, taken as a whole, (ii) the ability of any Seller Party to perform its obligations under this Agreement, (iii) the legality, validity or enforceability of this Agreement or any other Transaction Document, (iv) any Purchaser's interest in the Receivables generally or in any significant portion of the Receivables, the Related Security or the Collections with respect thereto, or (v) the collectibility of the Receivables generally or of any material portion of the Receivables.

"Monthly Report" means a report, in substantially the form of Exhibit X hereto (appropriately completed), furnished by the Servicer to the Agent pursuant to Section 8.5.

"Net Receivables Balance" means, at any time, the aggregate Outstanding Balance of all Eligible Receivables at such time reduced by the aggregate amount by which the Outstanding Balance of all Eligible Receivables of each Obligor and its Affiliates exceeds the Concentration Limit for such Obligor.

"Non-Defaulting Financial Institution" has the meaning set forth in Section 13.5.

"Non-Renewing Financial Institution" has the meaning set forth in Section 13.6(a).

"Obligations" shall have the meaning set forth in Section 2.1.

"Obligor" means a Person obligated to make payments pursuant to a Contract.

"Originator" means each Subsidiary of IDEX listed on Schedule C to this Agreement that is a party to the Transfer Agreement as of the date hereof; provided that any additional Subsidiary of IDEX (but no more than two such Subsidiaries in any calendar year) may, with the written approval of the Agent, become an Originator pursuant to Section 7.3 of the Transfer Agreement by executing a Joinder Agreement substantially in the form of Exhibit VI to the Transfer Agreement and delivering to the Agent such other agreements, documents, lien search reports, financing statements, opinions and certificates requested by the Agent; provided, further, that any Originator (but no more than two Originators in any calendar year) may, with the written approval of the Agent, cease to be an Originator by executing a Termination Agreement substantially in the form of Exhibit VII to the Transfer Agreement; provided, further, that the Servicer shall from time to time update Schedule C as provided in the applicable Joinder Agreement or Termination Agreement to reflect the addition or termination of any Originator.

"Originator Sales" means, in respect of any period, aggregate sales by the Originators that shall have given rise to Receivables in accordance with generally accepted accounting principles.

"Outstanding Balance" of any Receivable at any time means the then outstanding principal balance thereof.

"Participant" has the meaning set forth in Section 12.2.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Pooled Commercial Paper" means Commercial Paper notes of Falcon subject to any particular pooling arrangement by Falcon, but excluding Commercial Paper issued by Falcon for a tenor and in an amount specifically requested by any Person in connection with any agreement effected by Falcon.

"Potential Amortization Event" means an event which, with the passage of time or the giving of notice, or both, would constitute an Amortization Event.

"Proposed Reduction Date" has the meaning set forth in Section 1.3.

"Pro Rata Share" means, for each Financial Institution, a percentage equal to (i) the Commitment of such Financial Institution, divided by (ii) the aggregate amount of all Commitments of all Financial Institutions hereunder, adjusted as necessary to give effect to the application of the terms of Sections 13.5 or 13.6.

"Purchase Limit" means \$50,000,000, as such amount may be modified from time to time in accordance with the terms of this Agreement.

"Purchase Notice" has the meaning set forth in Section 1.2.

"Purchase Price" means, with respect to any Incremental Purchase of a Receivable Interest, the amount paid to Seller for such Receivable Interest which shall not exceed the least of the amount requested by Seller in the applicable Purchase Notice, the unused portion of the Purchase Limit on the applicable purchase date and the excess, if any, of the Net Receivables Balance (less the Aggregate Reserves) on the applicable purchase date over the aggregate outstanding amount of Aggregate Capital determined as of the date of the most recent Monthly Report, taking into account such proposed Incremental Purchase.

"Purchasers" means Falcon and each Financial Institution.

"Purchasing Financial Institution" has the meaning set forth in Section 12.1(b).

"Receivable" means all indebtedness and other obligations owed by an Obligor that is either a resident of the United States or a business organization organized under the laws of the United States or any political subdivision thereof to Seller, Transferor or the applicable Originator (at the time it arises, and before giving effect to any transfer or conveyance under the Transfer Agreement, the Receivables Sale Agreement or hereunder) or in which Seller, Transferor or such Originator has a security interest or other interest, including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible, arising in connection with the sale of goods or the rendering of services by such Originator and further includes, without limitation, the obligation to pay any Finance Charges with respect thereto. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations

represented by an individual invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; provided, that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be a Receivable regardless of whether the account debtor, Seller, Transferor or the applicable Originator treats such indebtedness, rights or obligations as a separate payment obligation.

"Receivable Interest" means, at any time, an undivided percentage ownership interest (computed as set forth below) associated with a designated amount of Capital, selected pursuant to the terms and conditions hereof in (i) each Receivable arising prior to the time of the most recent computation or recomputation of such undivided interest, (ii) all Related Security with respect to each such Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Receivable. Each such undivided percentage interest shall equal:

$$\frac{C}{NBR - AR}$$

where:

C = the Capital of such Receivable Interest.
AR = the Aggregate Reserves.
NRB = the Net Receivables Balance.

Such undivided percentage ownership interest shall be initially computed on its date of purchase. Thereafter, until the Amortization Date, each Receivable Interest shall be automatically recomputed (or deemed to be recomputed) on each day prior to the Amortization Date. The variable percentage represented by any Receivable Interest as computed (or deemed recomputed) as of the close of the Business Day immediately preceding the Amortization Date shall remain constant at all times thereafter.

"Receivables Sale Agreement" means that certain Receivables Sale Agreement, dated as of December 20, 2001, between Transferor and Seller, as the same may be amended, restated or otherwise modified from time to time.

"Records" means, with respect to any Receivable, all Contracts and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable, any Related Security therefor and the related Obligor.

"Reduction Notice" has the meaning set forth in Section 1.3.

"Reduction Percentage" means, for any Receivable Interest acquired by the Financial Institutions from Falcon for less than the Capital of such Receivable Interest, a

percentage equal to a fraction the numerator of which is the Falcon Transfer Price Reduction for such Receivable Interest and the denominator of which is the Capital of such Receivable Interest.

10.2(a). "Regulatory Change" has the meaning set forth in Section

"Reinvestment" has the meaning set forth in Section 2.2.

"Related Security" means, with respect to any Receivable:

(i) all of Seller's interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale, financing or lease of which by the applicable Originator gave rise to such Receivable, and all insurance contracts with respect thereto,

(ii) all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable,

(iii) all guaranties, letters of credit, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise,

(iv) all service contracts and other contracts and agreements associated with such Receivable,

(v) all Records related to such Receivable,

(vi) all of Seller's right, title and interest in, to and under the Transfer Agreement and the Receivables Sale Agreement in respect of such Receivable, and

(vii) all proceeds of any of the foregoing.

"Required Financial Institutions" means, at any time, Financial Institutions with Commitments in excess of 66-2/3% of the Purchase Limit.

"Restricted Junior Payment" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of capital stock of Seller now or hereafter outstanding, except a dividend payable solely in shares of that class of stock or in any junior class of stock of Seller, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of capital stock of Seller now or hereafter outstanding, (iii) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission

with respect to the Subordinated Loans (as defined in the Receivables Sale Agreement), (iv) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of capital stock of Seller now or hereafter outstanding, and (v) any payment of management fees by Seller (except for reasonable management fees to Transferor or its Affiliates in reimbursement of actual management services performed).

"Seller" has the meaning set forth in the preamble to this Agreement.

"Seller Parties" has the meaning set forth in the preamble to this Agreement.

"Servicer" means at any time the Person (which may be the Agent) then authorized pursuant to Article VIII to service, administer and collect Receivables.

"Servicing Fee" has the meaning set forth in Section 8.6.

"Settlement Date" means (A) the 17th day of each month (or if such day is not a Business Day, the next succeeding Business Day), and (B) the last day of the relevant Tranche Period in respect of each Receivable Interest of the Financial Institutions.

"Settlement Period" means (A) in respect of each Receivable Interest of Falcon, the immediately preceding Accrual Period, and (B) in respect of each Receivable Interest of the Financial Institutions, the entire Tranche Period of such Receivable Interest.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, limited liability company, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of Seller.

"Termination Date" has the meaning set forth in Section 2.2.

"Termination Percentage" has the meaning set forth in Section 2.2.

"Terminating Financial Institution" has the meaning set forth in Section 13.6(a).

"Terminating Tranche" has the meaning set forth in Section 4.3(b).

"Tranche Period" means, with respect to any Receivable Interest held by a Financial Institution:

(a) if Yield for such Receivable Interest is calculated on the basis of the LIBO Rate, a period of one, two or three months, or such other period as may be mutually agreeable to the Agent and Seller, commencing on a Business Day selected by Seller or the Agent pursuant to

this Agreement. Such Tranche Period shall end on the day in the applicable succeeding calendar month which corresponds numerically to the beginning day of such Tranche Period, provided, however, that if there is no such numerically corresponding day in such succeeding month, such Tranche Period shall end on the last Business Day of such succeeding month; or

(b) if Yield for such Receivable Interest is calculated on the basis of the Base Rate, a period commencing on a Business Day selected by Seller and agreed to by the Agent, provided no such period shall exceed one month.

If any Tranche Period would end on a day which is not a Business Day, such Tranche Period shall end on the next succeeding Business Day, provided, however, that in the case of Tranche Periods corresponding to the LIBO Rate, if such next succeeding Business Day falls in a new month, such Tranche Period shall end on the immediately preceding Business Day. In the case of any Tranche Period for any Receivable Interest which commences before the Amortization Date and would otherwise end on a date occurring after the Amortization Date, such Tranche Period shall end on the Amortization Date. The duration of each Tranche Period which commences after the Amortization Date shall be of such duration as selected by the Agent.

"Transaction Documents" means, collectively, this Agreement, each Purchase Notice, the Receivables Sale Agreement, the Transfer Agreement, each Collection Account Agreement, the Fee Letter, the Subordinated Note (as defined in the Receivables Sale Agreement) and all other instruments, documents and agreements executed and delivered in connection herewith.

"Transfer Agreement" means that certain Receivables Purchase and Sale Agreement, dated as of December 20, 2001, between each Originator and IDEX, as purchaser, as the same may be amended, restated or otherwise modified from time to time.

"Transferor" means IDEX, in its capacity as purchaser under the Transfer Agreement and as seller under the Receivables Sale Agreement.

"UCC" means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

"Unconditional Liquidity Provider" means a Financial Institution that is identified by the Agent or by Bank One as an entity which will not under any circumstance receive any Falcon Transfer Price Reduction hereunder.

"Yield" means for each respective Tranche Period relating to Receivable Interests of the Financial Institutions, an amount equal to the product of the applicable Bank Rate for each Receivable Interest multiplied by the Capital of such Receivable Interest for each day elapsed during such Tranche Period, annualized on a 360 day basis.

"Yield and Servicer Reserve" means, on any date, an amount equal to 2% multiplied by the Net Receivables Balance as of the close of business of the Servicer on such date.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of Illinois, and not specifically defined herein, are used herein as defined in such Article 9.

Ex. A-19

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IDEX CORPORATION

REVISED AND RESTATED
MANAGEMENT INCENTIVE
COMPENSATION PLAN FOR KEY EMPLOYEES
Effective January 1, 2002

C O N F I D E N T I A L

IDEX CORPORATION
NORTHBROOK, ILLINOIS

REVISED AND RESTATED
IDEX MANAGEMENT INCENTIVE COMPENSATION PLAN
FOR KEY EMPLOYEES
EFFECTIVE JANUARY 1, 2001

1. The purpose of this Plan is to provide incentive and reward to "key employees" who contribute to the profits of the enterprise by their invention, ability, industry, loyalty or exceptional service, through making them participants in that success. The primary objectives of the Plan are to:
 - Effectively incent desired organizational performance levels by focusing on a few quantitative indicators that drive overall company performance.
 - Ensure accountability, support, and accomplishment of corporate-wide initiatives.
 - Provide leverage for support of multi-business unit activities to take advantage of synergies across units and within newly-formed groups.
 - Enhance the reward and retention of top performers.

As herein used, the word "key employees" shall be understood to include corporate officers, key executive office managerial employees, business unit presidents, and other executives employed in the business units and subsidiaries (operating units), generally those reporting to an operating unit president, or other key managerial or professional employees, engaged in capacities of special responsibility and trust in the development, conduct, or management of the operating unit who may from time to time in the manner herein set forth be deemed and determined by the chief executive officer of the Corporation to be "key employees" for a particular award year.

2. Full power and authority to construe, interpret and administer this Plan shall be vested in the Board of Directors of the Corporation. However, the day-to-day administration of the Plan shall be the responsibility of the senior management of the Corporation, and the Board of

Directors shall rely on the senior management for recommendations for awards and interpretation when necessary. Decisions of the Board of Directors shall be final, conclusive, and binding upon all parties, including the Corporation, the stockholders, and the employees.

3. An employee shall be eligible for consideration for extra compensation if he or she is an employee of the Corporation or a subsidiary and remains an employee as of the last day of the fiscal year. No employee whose compensation, under a contract of employment or otherwise, is determined in whole or in part on a commission basis, and no person who is compensated on the basis of a fee or retainer, as distinguished from salary, shall be eligible for extra compensation for the period during which his or her compensation is so determined.
4. Subject to the provisions of this Plan, the Board of Directors shall have full discretion in making extra compensation awards, but it shall make no award without first considering the recommendations of the Compensation Committee.
5. Extra compensation awards with respect to any one fiscal year (the "award year") shall be made as soon as feasible after the close of such fiscal year. At the time of adoption of this Plan, the Corporation's fiscal year is the calendar year. So far as possible, such awards shall be made and the beneficiaries shall be notified thereof and paid therefore promptly, and in any event, prior to February 28 of the year following the award year. In the event of a change in the Corporation's fiscal year, this Plan shall apply, with pro-rata adjustments, to any intermediate period not consisting of twelve months and shall then apply to each fiscal year following.
6. This document describes the process that will be used to determine Management Incentive Compensation amounts for each Plan participant.
7. The amount awarded to a "key employee" under the Plan shall be determined in accordance with the following Plan description:

A. MICP PLAN FACTORS

The Plan will use the following factors to determine individual extra compensation payments:

- * The Plan participant's Annual Base Salary as of January 1 of the respective MICP Plan performance year.
- * Individual Target Bonus Percentage, based on the position content of the participant's current job.
- * Business unit performance against three quantitative measures: sales growth; operating margin growth; and overall cash flow.
- * A fourth business unit quantitative measure will involve the accomplishment of a specific Corporate Initiative Objective. Initially, that Corporate Initiative Objective will be Six Sigma implementation.
- * An individual Personal Performance Multiplier, ranging from 0.00 to 1.30; the purpose of this individual multiplier is to identify and appropriately award top performers and below average performers.

B. QUANTITATIVE PERFORMANCE OBJECTIVES

Business unit accomplishments will be measured against objectives established in three Quantitative Performance Objectives:

- * Sales Growth;
- * Increase in Operating Margin; and
- * Overall Cash Flow

Target, Minimum, and Maximum performance objectives will normally be established for each indicator following the Board of Directors' review of the IDEX business plan at the January Board meeting and by March 31 each year.

Objectives will usually be established on a business unit basis. In some instances where individual locations within business units operate on a more independent basis from the respective units, all or some objectives may be established on a location basis. In addition, objectives will be established on operating group and corporate-wide bases to determine accomplishments and bonus earned for group executives and executive office staff respectively.

Objectives established will reflect unit business plans, economic and market conditions, and reasonable expectation of accomplishment.

Bonus earned at target performance in each Quantitative Performance Objective will be 25% of the individual target bonus percentage. Weighting for other levels of performance on each of the quantitative indicators are as follows:

Actual
Performance
Bonus
Earned As
A Percent
Level Of
Individual
Target
Percent -

---- Below
Minimum
0.0%
Minimum
Objective
12.5%
Target
Objective
25.0%
Maximum
Objective
and above
50.0%

For performance in between Minimum and Target and between Target and Maximum, a straight-line interpolation will determine the appropriate bonus percentage earned for the indicator. Results will be stated on a constant exchange rate assumption so that results of international locations will be included and considered on a currency neutral basis.

The definitions of the quantitative indicators are as follows:

- - SALES GROWTH - Actual percentage increase in net sales over the previous year. Objectives established will reflect economic and business conditions and opportunities in the markets in which the unit or location operates and, therefore, may differ from unit to unit.
- - INCREASE IN OPERATING MARGIN - Operating Margin objective will be expressed as the percentage of total unit operating earnings for the year to the total unit net sales. Unit operating earnings ("Operating Earnings") will be defined as profit before executive office items not allocated to the business units in the normal course and adjusted to exclude significant unusual items such as fixed asset disposals. The objectives established will normally represent an improvement over the previous year's Operating Margin for the unit.
- - OVERALL CASH FLOW - Overall Cash Flow objective will be the total overall cash flow, defined as Operating Earnings (as defined above) plus depreciation and amortization expense plus (or minus) changes in working capital (excluding changes in tax reserves).

In the event an acquired company is added to a business unit during the year, appropriate adjustments will be made to the targets to reflect the acquisition. The decisions of corporate management as to the amount of such adjustments shall be binding and final.

C. CORPORATE INITIATIVE OBJECTIVES

Business unit accomplishments in implementing Six Sigma as the Corporate Initiative Objective will be measured against targets established in three quantitative areas:

- COMPLETED NUMBER OF BLACK BELT AND GREEN BELT PROJECTS - number of Black Belt and Green Belt projects completed during the award year.
- TOTAL BLACK BELT AND GREEN BELT PROJECT SAVINGS - Total amount of savings during the award year from completed Black Belt and Green Belt projects. Results will be stated on a constant exchange rate assumption so that results of international locations will be included and considered on a currency neutral basis.
- ON-TIME DELIVERY - On-Time Delivery will be measured by comparing the actual shipment date to the customers' requested date. Performance will be defined as the percentage of either line items or full orders that fall within the location-specific six-day upper and lower specification limits; the respective business unit president and group executive will determine whether line items or full orders are the appropriate measurement basis. In addition, a tighter upper and lower number of days limit may be applicable for some units based on their current order and shipping patterns and their customer requirements; in those cases, the business unit president and group executive will also establish those location-specific limits. In 2001 the basis for measurement will be fourth quarter 2001 targets, which will be established considering improvement against an actual February through April 2001 baseline. The Target, Minimum, and Maximum objectives for the 2001 fourth quarter will be set by the respective group executive, and approved by the IDEX president and chief executive officer. In subsequent years, On-Time Delivery will be an annual target or another Critical To Quality ("CTQ") measurement may be substituted for On-Time Delivery.

Combined total bonus earned when target performance is attained in each of the three Corporate Initiative Objectives will be a total of 25% of the individual target bonus percentage. Weighting for other levels of performance in each respective objective are as follows:

Actual
Performance
Bonus
Earned As
Percent Of
Individual
Target
Percent
Level
Projects
Savings
Delivery -

--

- Below
Minimum
0.0% 0.0%
0.0%
Minimum
Objective
4.5% 4.0%
4.0%
Target
Objective
9.0% 8.0%
8.0%
Maximum
Objective
and above
18.0%
16.0%
16.0%

For performance between Minimum and Target and between Target and Maximum, a straight-line interpolation will determine the appropriate bonus earned for the factor.

D. PERSONAL PERFORMANCE MULTIPLIER

A Personal Performance Multiplier will be determined each year for each MICP participant. The Personal Performance Multiplier and their distribution among MICP participants will be as follows:

Personal Performance Multiplier	Distribution Among MICP Participants
1.30	Top 15% of participants
1.15	Next 10%
1.0	Middle 65%
0.75 or 0.00	Bottom 10%

The Personal Performance Multiplier determination will reflect individual performance in the participant's job and unit during the award year, as well as active support of and contribution to the success of corporate initiatives and achieving inter-unit synergies. Business unit presidents will make recommendations for Personal Performance Multiplier ratings within their units. Recommendations for Personal Performance Multipliers for each business unit Plan participant will be submitted by the business unit president to the respective group executive by October 15 of each award year.

Group executives will be responsible for managing the distribution of ratings according to the specified distribution above within the participants from their respective groups, subject to the final review of the president chief executive officer of the corporation.

In the "Bottom 10%" category, there is no required distribution between assigned '0.75' and '0.00' multipliers; either multiplier may be assigned based on the participant's performance.

The chief executive officer will be responsible for managing the distribution of ratings within the group of officers, business unit presidents, and executive office participants.

E. TOTAL BONUS CALCULATION

The Total Bonus Calculation for each individual participant will be determined as follows:

THE SUM OF

Bonus percentages earned on each of the three Quantitative Performance Indicators

PLUS

Bonus percentages earned on each of the three Corporate Initiative Objectives

TIMES

Personal Performance Multiplier

TIMES

Individual Target Bonus Percentage

TIMES

Annual Base Salary as of January 1 of award year

A diagram representing the roles of Quantitative Performance Objectives, Corporate Initiative Objectives, and Personal Performance Multiplier in determining an Individual Bonus Percentage is presented in Exhibit I -- "Performance Measurement Criteria and Personal Performance Multiplier -- Individual Bonus Percentage Calculation." In addition, maximum bonus levels in each salary grade are defined in Exhibit II -- "Bonus Targets and Bonus Maximums, as Related to Salary Grade Levels."

Where a participant has had a salary increase during the year, the bonus will be prorated to reflect the change. In addition, where a participant has moved into another position with a different Individual Target Bonus Percentage or transferred to a different business unit, the bonus calculation will be prorated to reflect the different Individual Target Bonus Percentages and the different unit objectives measurement respectively.

F. SPECIAL ADJUSTMENTS

In unusual circumstances, awards to specific individuals or units may be adjusted positively or negatively to reflect performance, which significantly affected the operating results of the unit or company. Such adjustments will be recommended by the Chief Executive Officer of the company and approved by the Compensation Committee of the Board of Directors. However, these adjustments will be made infrequently and on the basis of unusual positive or negative performance.

8. While the Plan provides that participants must be an employee at the end of the year in order to be eligible for payments under the Plan, exceptions will be made in the case of death, total and permanent disability, or retirement at or after normal or early retirement ages under terms

1/15/01

MICP 2001 -- Page 7

of the Corporation's various pension and retirement plans. In such cases, the participant will receive an extra compensation payment for the pro rata portion of the year (measured to the nearest full month) he or she was employed by the Corporation. The prorated payment will be based on actual quantitative performance through the end of the award year in which death, disability, or retirement occurs and a Target Personal Performance Multiplier of 1.00. The prorated extra compensation payment shall be paid along with bonus payments to other Plan participants following the end of the award year. A participant who leaves the employ of the Corporation prior to the end of the calendar year for any reason other than death, disability, or retirement, as specified above, shall not be entitled to any payment under this Plan.

9. If a beneficiary dies, his or her unpaid extra compensation awards, if any, shall be paid and delivered in accordance with the terms specified in applicable beneficiary or trust arrangements, if any, to his or her legal representatives or to the persons entitled thereto as determined by a court of competent jurisdiction. Such unpaid extra compensation awards, if any, may be paid out as determined by the Corporation in its discretion subject to the approval of the Board of Directors.
10. This Plan was effective as of January 22, 1988, and was amended and restated as of January 1, 1996, January 1, 1999, and January 1, 2001. While, as in the past, it is contemplated that extra compensation will be awarded annually, the Board of Directors shall have the right to modify, suspend, or terminate this Plan at any time.
11. Present and future members of the Board of Directors of the Corporation, as such and as members of the Compensation Committee, shall be entitled to the protection given them under the indemnification provisions of the bylaws of the Corporation.
12. Forms used to calculate performance under the Plan are attached as EXHIBIT III - Performance Measurement Worksheets, and EXHIBIT IV - Individual Incentive Award Worksheet.

FIRST AMENDED AND RESTATED
1996 STOCK OPTION PLAN
FOR NON-OFFICER KEY EMPLOYEES
OF
IDEX CORPORATION

IDEX Corporation, a Delaware corporation (the "Company"), by resolution of its Board of Directors, (1) originally approved the form of the 1996 Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (the "Original Plan") on January 23, 1996, and (2) by adoption of the First Amended and Restated 1996 Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (the "Plan") approved amendments to the Original Plan on March 27, 2001. The purposes of this Plan are as follows:

(1) To further the growth, development and financial success of the Company by providing additional incentives to certain of its non-officer key Employees who have been or will be given responsibility for the management or administration of the Company's business affairs, by assisting them to become owners of the Company's Common Stock and thus to benefit directly from its growth, development and financial success.

(2) To enable the Company to obtain and retain the services of the type of professional, technical and managerial employees considered essential to the long-range success of the Company by providing and offering them an opportunity to become owners of the Company's Common Stock under options.

ARTICLE I

DEFINITIONS

Whenever the following terms are used in this Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary. The singular shall include the plural, where the context so indicates.

Section 1.1 - Board

"Board" shall mean the Board of Directors of the Company.

Section 1.2 - Change in Control

"Change in Control" shall mean the occurrence of (a) 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 shares of Common Stock are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof) redeemed by the Company or purchased by any person(s), firm(s) or

entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Company, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Company's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Company for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Company is merged or consolidated with another corporation regardless of whether the Company is the survivor (except any such transaction solely for the purpose of changing the Company's domicile or which does not change the ultimate beneficial ownership of the equity interests in the Company), or (b) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, acquisition, merger or consolidation constituting such a change of management or control. For purposes hereof, the term "control" shall have the meaning ascribed thereto under the Exchange Act and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Company. For purposes of clause (a)(ii) above or as appropriate for purposes of clause (b) above, the Company 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.

Section 1.3 - Code

"Code" shall mean the Internal Revenue Code of 1986, as amended.

Section 1.4 - Committee

"Committee" shall mean the Compensation Committee of the Board, appointed as provided in Section 6.1.

Section 1.5 - Common Stock

"Common Stock" shall mean the common stock, par value \$.01 per share, of the Company.

Section 1.6 - Company

"Company" shall mean IDEX Corporation.

Section 1.7 - Director

"Director" shall mean a member of the Board.

Section 1.8 - Employee

"Employee" shall mean any employee (as defined in accordance with the regulations and revenue rulings then applicable under Section 3401(c) of the Code) of the Company, or of any corporation which is then a Parent Corporation or a Subsidiary, whether such

employee is so employed at the time this Plan is adopted or becomes so employed subsequent to the adoption of this Plan.

Section 1.9 - Exchange Act

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.10 - Fair Market Value

"Fair Market Value" of the Common Stock shall mean as of a given date: (i) if Common Stock is traded on an exchange then the closing price of a share of Common Stock as reported in the Wall Street Journal for the first trading date immediately prior to such date during which a sale occurred; or (ii) if Common Stock is not traded on an exchange but is quoted on NASDAQ or a successor or other quotation system, (x) the last sales price (if the Common Stock is then listed as a National Market Issue under the NASD National Market System) or (y) the mean between the closing representative bid and asked prices (in all other cases) for the Common Stock on the date immediately prior to such date on which sales prices or bid and asked prices, as applicable, are reported by NASDAQ or such successor quotation system; or (iii) if such Common Stock is not publicly traded on an exchange and not quoted on NASDAQ or a successor quotation system, the mean between the closing bid and asked prices for the Common Stock on the day previous to such date, as determined in good faith by the Committee; or (iv) if the Common Stock is not publicly traded, the fair market value established by the Committee acting in good faith.

Section 1.11 - Officer

"Officer" shall mean an officer of the company, as defined in Rule 16a-1(f) under the Exchange Act, as such Rule may be amended in the future.

Section 1.12 - Option

"Option" shall mean an option to purchase Common Stock of the Company, granted under the Plan.

Section 1.13 - Optionee

"Optionee" shall mean an Employee to whom an Option is granted under the Plan.

Section 1.14 - Parent Corporation

"Parent Corporation" shall mean any corporation in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company then

owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 1.15 - Plan

"Plan" shall mean this First Amended and Restated 1996 Stock Option Plan for Non-Officer Key Employees of IDEX Corporation.

Section 1.16 - Retirement

"Retirement" shall mean termination of employment with the Company upon reaching retirement age, or earlier, at the election of the Employee, in accordance with the Company's policy on retirement.

Section 1.17 - Secretary

"Secretary" shall mean the Secretary of the Company.

Section 1.18 - Securities Act

"Securities Act" shall mean the Securities Act of 1933, as amended.

Section 1.19 - Subsidiary

"Subsidiary" shall mean any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain..

Section 1.20 - Termination of Employment

"Termination of Employment" shall mean the time (which, in the absence of any other determination by the Committee, shall be deemed to be the last day actually worked by the Optionee) when the employee-employer relationship between the Optionee and the Company, a Parent Corporation or a Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death or Retirement, but excluding terminations where there is a simultaneous reemployment by the Company, a Parent Corporation or a Subsidiary. The Committee, in its absolute discretion, shall determine the effect of all other matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a Termination of Employment resulted from a discharge for good cause, and all questions of whether particular leaves of absence constitute Terminations of Employment.

ARTICLE II

GENERAL CONDITIONS

Section 2.1 - Shares Subject to Plan

The shares of stock subject to Options shall be shares of the Common Stock. The aggregate number of such shares which may be issued upon exercise of Options shall not exceed 1,650,000 shares. The shares of Common Stock issuable upon exercise of such Options may be either previously authorized and unissued shares or treasury shares.

Section 2.2 - Unexercised Options

If any Option expires or is cancelled without having been fully exercised, the number of shares subject to such Option but as to which such Option was not exercised prior to its expiration or cancellation may again be optioned hereunder, subject to the limitations of Section 2.1.

Section 2.3 - Changes in Company's Shares

In the event that the outstanding shares of Common Stock of the Company are hereafter changed into or exchanged for a different number or kind of shares or other securities of the Company, or of another corporation, by reason of reorganization, merger, consolidation recapitalization, reclassification, stock split-up, stock dividend or combination of shares, appropriate adjustments shall be made by the Committee in the number and kind of shares for the purchase of which Options may be granted, including adjustments of the limitations in Section 2.1 on the maximum number and kind of shares which may be issued on exercise of Options. In the event of an adjustment contemplated by this Section 2.3 in any outstanding Options, the Committee shall make an appropriate and equitable adjustment to the end that after such event the Optionee's proportionate interest shall be maintained as before the occurrence of such event. Such adjustment in any outstanding Options shall be made without change in the total price applicable to the Option or the unexercised portion of the Option (except for any change in the aggregate price resulting from rounding-off of share quantities or prices) and with any necessary corresponding adjustment in the Option price per share. In the event of a "spin-off" or other substantial distribution of assets of the Company which has a material diminutive effect upon Fair Market Value, the Committee may in its discretion make an appropriate and equitable adjustment to the Option exercise price to reflect such diminution. Any such adjustment made by the Committee shall be final and binding upon all Optionees, the Company and all other interested persons.

Notwithstanding the foregoing, in the event of such a reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, stock dividend or combination, or other adjustment or event which results in shares of Common Stock being exchanged for or converted into cash, securities or other property, the Company will have the right to terminate

this Plan as of the date of the exchange or conversion, in which case all Options under this Plan shall become the right to receive such cash, securities or other property, net of any applicable exercise price.

Section 2.4 - Conditions to Issuance of Stock Certificates

The Company shall not be required to issue or deliver any certificate or certificates for shares of Common Stock purchased upon the exercise of any Option, or portion thereof, prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which the Common Stock is then listed; and

(b) The completion of any registration or other qualification of such shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; and

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The payment to the Company (or other employer corporation) of all amounts which it is required to withhold under federal, state or local law in connection with the exercise of the Option; and

(e) The lapse of such reasonable period of time following the exercise of the Option as the Committee may establish from time to time for reasons of administrative convenience.

Section 2.5 - Merger, Consolidation, Acquisition, Liquidation or Dissolution

Notwithstanding any other provision of the Plan, in its absolute discretion, and on such terms and conditions as it deems appropriate, the Committee may provide by the terms of any Option that such Option cannot be exercised after a Change in Control or the liquidation or dissolution of the Company (collectively, "Control Events"); and if the Committee so provides, it may, in its absolute discretion, on such terms and conditions as it deems appropriate, also provide, either by the terms of any Option or by a resolution adopted prior to the occurrence of such Control Event, that, for some period of time beginning prior to and ending as of (and including) the time of such event, such Option shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in Section 4.3(a), Section 4.3(b) or any installment provisions of any Option.

Section 2.6 - Rights as Shareholders

The holders of Options shall not be, nor have any of the rights or privileges of, shareholders of the Company in respect of any shares purchasable upon the exercise of any part of an Option unless and until certificates representing such shares have been issued by the Company to such holders.

Section 2.7 - Transfer Restrictions

The Committee, in its absolute discretion, may impose such restrictions on the transferability of the shares purchasable upon the exercise of an Option as it deems appropriate. Any such restriction shall be set forth in the respective Stock Option Agreement and may be referred to on the certificates evidencing such shares.

Section 2.8 - No Right to Continued Employment

Nothing in this Plan or in any Stock Option Agreement shall confer upon any Optionee any right to continue in the employ of the Company, any Parent Corporation or any Subsidiary or shall interfere with or restrict in any way the rights of the Company, its Parent Corporations and its Subsidiaries, which are hereby expressly reserved, to discharge any Optionee at any time for any reason whatsoever, with or without cause.

ARTICLE III

GRANTING OF OPTIONS

Section 3.1 - Eligibility

Any key Employee, other than an Officer, shall be eligible to be granted Options under the Plan, as provided in Section 3.2.

Section 3.2 - Granting of Options

(a) Upon the recommendation of the chief executive officer of the Company, the Committee shall from time to time, in its absolute discretion:

(i) Determine which Employees are key Employees and select from among the key Employees (including those to whom Options have been previously granted under the Plan) such of them as in its opinion should be granted Options; and

(ii) Determine the number of shares to be subject to such Options granted to such selected key Employees; and

(iii) Determine the terms and conditions of such Options, consistent with the Plan.

(b) Upon the selection of an Employee to be granted an Option, the Committee shall instruct the Secretary to issue such Option and may impose such conditions on the grant of such Option as it deems appropriate. Without limiting the generality of the preceding sentence, the Committee may, in its discretion and on such terms as it deems appropriate, require as a condition on the grant of an Option to an Employee that the Employee surrender for cancellation some or all of the unexercised Options which have been previously granted to such Employee. An Option the grant of which is conditioned upon such surrender may have an option price lower (or higher) than the option price of the surrendered Option, may cover the same (or a lesser or greater) number of shares as the surrendered Option, may contain such other terms as the Committee deems appropriate and shall be exercisable in accordance with its terms, without regard to the number of shares, price option period or any other term or condition of the surrendered Option.

ARTICLE IV

TERMS OF OPTIONS

Section 4.1 - Option Agreement

Each Option shall be evidenced by a written Stock Option Agreement, which shall be executed by the Optionee and an authorized Officer of the Company and which shall contain such terms and conditions as the Committee shall determine, not inconsistent with the Plan.

Section 4.2 - Option Price

The price per share of the shares subject to each Option shall be set by the Committee; provided, however, that the price per share shall not be less than 100% of the Fair Market Value as of the date such Option is granted.

Section 4.3 - Commencement of Exercisability

(a) Except as the Committee may otherwise provide, no Option may be exercised in whole or in part during the first year after such Option is granted.

(b) Subject to the provisions of Sections 4.3(a) and 4.3(c), Options shall become exercisable at such times and in such installments (which may be cumulative) as the Committee shall provide in the terms of each individual Option; provided, however, that by a resolution adopted after an Option is granted the Committee may, on such terms and conditions as it may determine to be appropriate and subject to Sections 4.3(a) and 4.3(c), accelerate the time at which such Option or any portion thereof may be exercised.

(c) No portion of an Option which is unexercisable at Termination of Employment shall thereafter become exercisable; provided, however, that in the event of a Termination of Employment resulting from the Optionee's death, disability or Retirement, all Options shall become exercisable, effective immediately upon the occurrence of such event.

Section 4.4 - Expiration of Options

(a) No Option may be exercised to any extent by anyone after, and every Option shall expire no later than, the expiration of ten years from the date the Option was granted.

(b) Subject to the provisions of Section 4.4(a), the Committee shall provide, in the terms of each individual Option, when such Option expires and becomes unexercisable.

Section 4.5 - Consideration

In consideration of the granting of an Option, the Optionee shall agree, in the written Stock Option Agreement, to remain in the employ of the Company, a Parent Corporation or a Subsidiary, with such duties and responsibilities as the Company shall from time to time prescribe.

ARTICLE V

EXERCISE OF OPTIONS

Section 5.1 - Person Eligible to Exercise

During the lifetime of the Optionee, only such Optionee may exercise an Option (or any portion thereof) granted to such Optionee. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Stock Option Agreement, be exercised by such Optionee's Beneficiary. "Beneficiary" shall mean any one or more persons, corporations, trusts, estates, or any combination thereof, last designated by an Optionee in accordance with the applicable Stock Option Agreement.

Section 5.2 - Partial Exercise

At any time and from time to time prior to the time when any exercisable Option or exercisable portion thereof becomes unexercisable under the Plan or the applicable Stock Option Agreement, such Option or portion thereof may be exercised in whole or in part; provided, however, that the Company shall not be required to issue fractional shares and the

Committee may, by the terms of the Option, require any partial exercise to be with respect to a specified minimum number of shares.

Section 5.3 - Manner of Exercise

An exercisable Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary or the Secretary's office of all of the following prior to the time when such Option or such portion becomes unexercisable under the Plan or the applicable Stock Option Agreement:

(a) Notice in writing signed by the Optionee or other person then entitled to exercise such Option or portion, stating that such Option or portion is exercised, such notice complying with all applicable rules established by the Committee;

(b) Full payment (in cash or by check) for the shares with respect to which such Option or portion thereof is exercised, including payment to the Company (or other employer corporation) of all amounts which it is required to withhold under federal, state or local law in connection with the exercise of the Option. However, in the discretion of the Committee, payment may be made, in whole or in part, through (i) the delivery of shares of Common Stock owned by the Optionee, duly endorsed for transfer to the Company with a Fair Market Value on the date of delivery equal to that portion of the aggregate exercise price of the Option or exercised portion thereof plus the amount of the applicable withholding tax for which such payment is permitted by the Committee; (ii) the surrender of shares of Common Stock then issuable upon exercise of the Option having a Fair Market Value on the date of Option exercise equal to that portion of the aggregate exercise price of the Option or exercise portion thereof, plus the amount of the applicable withholding tax, for which such payment is permitted by the Committee; (iii) the delivery of a full recourse promissory note bearing interest (at no less than such rate as shall then preclude the imputation of interest under the Code) and payable upon such terms as may be prescribed by the Committee; (iv) to the extent permitted by law, a "cashless exercise procedure" satisfactory to the Committee which permits the Optionee to deliver an exercise notice to a broker-dealer, who then sells Option shares, delivers the proceeds of the sale, less commission, to the Company, which delivers such proceeds, less the exercise price and withholding taxes, to the Optionee, or (v) any combination of the consideration provided in the foregoing subparagraphs (i), (ii), (iii) and (iv). In the case of a promissory note, the Committee may also prescribe the form of such note and the security (if any) to be given for such note. Notwithstanding the foregoing, the Option may not be exercised by delivery of a promissory note or by a loan from the Company where such loan or other extension of credit is prohibited by law;

(c) Such representations and documents as the Committee, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal or state securities laws or regulations. The Committee may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer orders to transfer agents and registrars; and

(d) In the event that the Option or portion thereof shall be exercised pursuant to Section 5.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option or portion thereof.

ARTICLE VI

ADMINISTRATION

Section 6.1 - Compensation Committee

The Compensation Committee shall consist of two or more Directors, appointed by and holding office at the pleasure of the Board, none of whom may (i) be an Officer, (ii) receive compensation, either directly or indirectly, from the Company or any Parent Corporation or Subsidiary, for services rendered in any capacity other than as a Director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Item 404 of Regulation S-K ("Item 404"), (iii) possess an interest in any other transaction for which disclosure would be required pursuant to Item 404 or (iv) be engaged in a business relationship for which disclosure would be required pursuant to Item 404. The constitution of the Committee must also comply with the requirements of Section 162(m) of the Code. The failure of the constitution of the Committee to comply with the foregoing requirements shall not adversely affect the validity of any shares issued upon exercise of Options under the Plan. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time. Vacancies in the Committee shall be filled by the Board.

Section 6.2 - Duties and Powers of Committee

It shall be the duty of the Committee to conduct the general administration of the Plan in accordance with its provisions. The Committee shall have the power to interpret the Plan and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under this Plan except with respect to matters which under Section 162(m) of the Code, or any regulations or rules issued thereunder, are required to be determined in the sole discretion of the Committee.

Section 6.3 - Majority Rule

The Committee shall act by a majority of its members in office. The Committee may act either by vote at a meeting or by a memorandum or other written instrument signed by a majority of the Committee.

Section 6.4 - Compensation; Professional Assistance; Good Faith Actions

Members of the Committee shall receive such compensation for their services as members as may be determined by the Board. All expenses and liabilities incurred by members of the Committee in connection with the administration of the Plan shall be borne by the Company. The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company and its Officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Optionees, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options, and all members of the Committee shall be fully protected by the Company in respect to any such action, determination or interpretation.

ARTICLE VII

OTHER PROVISIONS

Section 7.1 - Options Not Transferable

No Option or interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or the Optionee's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that nothing in this Section 7.1 shall prevent transfers to a Beneficiary.

Section 7.2 - Amendment, Suspension or Termination of the Plan

The Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee. Neither the amendment, suspension nor termination of the Plan shall, without the consent of the holder of an Option, impair any rights or obligations under any Option theretofore granted. No Option may be granted during any period of suspension nor after termination of the Plan, and in no event may any Option be granted under this Plan after September 24, 2006.

Section 7.3 - Effect of Plan Upon Other Option and Compensation Plans

The adoption of this Plan shall not affect any other compensation or incentive plans in effect for the Company, any Parent Corporation or any Subsidiary. Nothing in this Plan shall be construed to limit the right of the Company, any Parent Corporation or any Subsidiary (a) to establish any other forms of incentives or compensation for employees of the Company, any Parent Corporation or any Subsidiary or (b) to grant or assume options otherwise than under this Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

Section 7.4 - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

Section 7.5 - Conformity to Securities Laws

The Plan is intended to conform to the extent necessary with all provisions of the Securities Act, the Exchange Act and the Code and any and all regulations and rules promulgated by the Securities and Exchange Commission and Internal Revenue Service thereunder. Notwithstanding anything herein to the contrary, the Plan shall be administered, and Options shall be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and Options granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 7.6 - Governing Law

This Plan and any agreements hereunder shall be administered, interpreted and enforced in accordance with the laws of the State of Illinois (without reference to the choice of law provisions of Illinois law).

* * * *

I hereby certify that the foregoing Plan was duly approved by the Board of Directors of IDEX Corporation effective March 27, 2001.

Executed on this 27th day of March, 2001.

/s/ Frank J. Notaro
Secretary

[GRAPHIC]

[IDEX LOGO]

IDEX CORPORATION
630 Dundee Road
Northbrook, IL 60062
www.idexcorp.com

THE MOMENTUM IS BUILDING

[GRAPHIC]

[IDEX LOGO]

IDEX CORPORATION
2001 ANNUAL REPORT

IDEX CORPORATION is a world leader in positive displacement pump technologies and other industrial products that are sold to a wide variety of customers and industries. Our businesses have leading positions in their niche markets, and we have a history of achieving high profit margins and generating strong cash flows. The company has remained profitable during recent difficult economic times and is building momentum through many top- and bottom-line growth initiatives, including Six Sigma, global sourcing and eBusiness.

IDEX's shares are traded on the New York Stock Exchange and Chicago Stock Exchange under the symbol IEX.

THE MOMENTUM IS BUILDING

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FINANCIAL
HIGHLIGHTS
(in thousands except share and per share amounts)

YEARS ENDED DECEMBER 31,	2001	CHANGE	2000	CHANGE	1999
Results of Operations					
Net sales	\$ 726,947	3%	\$ 704,276	8%	\$ 655,041
Before Restructuring:					
Operating income	84,664	(27)	116,516	11	104,677
Net income	39,782	(37)	63,445	17	54,428
As Reported:					
Operating income	73,438	(37)	116,516	11	104,677
Net income	32,710	(48)	63,445	17	54,428

Financial Position					
Working capital (1)	\$ 127,565	(10)%	\$ 142,355	17%	\$ 122,081
Total assets	838,804	11	758,854	3	738,567
Total debt	291,820	21	241,886	(10)	268,589
Shareholders' equity	401,112	7	374,502	14	329,024

Performance Measures					
Before Restructuring					
Percent of net sales:					
Operating income	11.6%		16.5%		16.0%
Net income	5.5		9.0		8.3
Return on average assets	5.0		8.5		7.6
Debt as a percent of capitalization	42.1		39.2		44.9
Return on average shareholders' equity	10.3		18.0		17.7

Per Share Data - Diluted					
Before Restructuring:					
Net income	\$ 1.28	(38)%	\$ 2.07	14%	\$1.81
Net income excluding goodwill amortization	1.65	(31)	2.38	13	2.11
Net income as reported	1.05	(49)	2.07	14	1.81
Cash dividends paid	.56	-	.56	-	.56
Shareholders' equity	13.05	5	12.38	12	11.10

Other Data					
Employees at year end	3,873	- %	3,880	3%	3,773
Shareholders at year end	5,500	6	5,200	(7)	5,600
Weighted average diluted shares outstanding	31,047	1	30,632	2	30,085

(1) Excluding short-term debt in 2000

TOTAL SHAREHOLDER RETURNS

- - IDEX
- - S&P 500 INDEX
- - RUSSELL 2000 INDEX

[LINE GRAPH]

Total return to IDEX shareholders since going public in June 1989 has been 502%, while the S&P 500 Index increased 371%, and the Russell 2000 Index rose 244%.

NET SALES
(in millions)

[LINE GRAPH]

Sales have grown at a 14% compound annual rate since 1989.

EARNINGS PER SHARE-DILUTED
(continuing operations before restructuring)

[LINE GRAPH]

Weak economic conditions in 2001 reduced the compound annual growth rate since 1989 to 10%. The growth initiatives put in place in 2001 will improve IDEX's long-term profitability.

SHAREHOLDERS'
LETTER

A LETTER TO SHAREHOLDERS
FROM THE CHAIRMAN, PRESIDENT
AND CHIEF EXECUTIVE OFFICER

[PHOTO OF PRESIDENT]

TO OUR SHAREHOLDERS:

2001 was an extraordinarily challenging year for IDEX and its customers. While our company has experienced economic downturns, this was the first one that simultaneously reached most of the end markets we serve. Even though diverse end markets are one of our key strengths, this was not enough to help us repeat the record earnings we achieved in 2000.

Last year, the need for more efficient operations was obvious. At the same time, our customers and channel partners wanted more reliable, innovative products precisely when they needed them, with shorter cycle times from order to delivery. They set a tougher standard that we needed to meet with fewer resources.

Fortunately, we were not unprepared. In the fourth quarter of 2000, IDEX began a transformational journey that led to significant changes in 2001 and has built momentum for even more important operational improvements in the future. We are not satisfied with our financial performance in 2001, but we are confident IDEX has solid momentum moving into 2002.

LOWER OPERATING MARGINS AND EARNINGS - The significant decline in operating margin and earnings in 2001 reflected 9% lower sales in our profitable core businesses. Acquisitions allowed us to overcome a shortfall in total sales and post a 3% gain. However, margins at acquired companies are not yet up to the historical IDEX average, so they only exacerbated the margin situation. Our short order-to-shipment cycle, the very limited visibility that our customers and we had throughout the year, and the abruptness of the decline in our end markets put IDEX in a reactionary mode - trying to size the company's infrastructure for the estimated sales volumes. To address this, we took two restructuring charges totaling \$11.2 million - one in the first quarter and another in the fourth. These restructurings included closing two manufacturing facilities and reducing our workforce by 15%. Since we believed our structure already was efficient at the end of 2000, the magnitude of these reductions was a huge challenge for all our operations. However, the lower cost structure that resulted and our operational excellence initiatives have given us terrific operating leverage moving into 2002.

2001: TRANSFORMATION AND BUILDING MOMENTUM - In 2001, we focused on making our business strategy a reality: 1) using operational excellence initiatives to expand margins and generate significant cash in excess of net income, 2) reinvesting some of these gains in new products and markets, 3) continuing to acquire companies that fit our criteria, and 4) achieving double-digit top- and bottom-line growth in a full economic cycle. We made great progress in a number of these areas.

PROGRESS IN OPERATIONAL EXCELLENCE

Six Sigma - Six Sigma is gaining momentum. We have 586 trained "belts" - leaders of process change - and all of our businesses are in the game. We expect tangible financial benefits in 2002 and beyond. Our focus on issues that customers see as critical-to-quality has given us clear opportunities to improve our business.

On-time delivery - not early or late - has improved in nearly all businesses. In some cases, the difference is dramatic. And customers are noticing. In several of our operations, the first computer screen our employees see every day is on-time performance for the prior day, month, and year-to-date. This reinvigorated focus on the customer is helping to change the company.

[GRAPHIC OF BUSINESS STRATEGY]

BUSINESS STRATEGY

Operational Excellence

- - Kaizen
- - Lean
- - Six Sigma
- - Global Sourcing
- - eBusiness
- - Asset Management

Growth

Margin Expansion
Debt Reduction

Reinvest

New Products
New Markets
Acquisitions

Direct Sales

Six Sigma also is helping us focus on product reliability. In 2001, we saw some great examples of the power of this methodology: real solutions to chronic problems we were never able to fix using "tribal knowledge." We have regained lost customers by showing them what the problems were and how we fixed them. Some customers also have given us more of their business because our performance has improved.

In addition to our internal activity, there are 20 distributors that have "belts" in training. Their commitment to this process will enable us to better meet our mutual customers' needs.

Kaizen and Lean - In 2001, we added two other tools to our operational excellence effort - Kaizen and Lean techniques. These are events with a short duration that have an immediate impact on our operations. We are using them to reduce waste, variation, floor space and inventory. As with Six Sigma, we have trained experts in every business unit. Kaizen, Lean and Six Sigma are a potent arsenal to attack operational, process and product issues so we can better meet our customers' needs.

Global Sourcing - Global sourcing also is gaining momentum in all our businesses. In 2001, we set a stretch goal to save \$5 million from this effort - a challenge no one knew how to achieve. Through the use of commodity leaders, engineers in China and India, and motivated sourcing leaders in our business units, we achieved savings of \$3.6 million - a 41% reduction versus the prior source. This was a terrific start. We currently have \$23 million of components in the trial stage, and about \$6 million of carryover savings into 2002. As a result, we are confident the 2002 savings will be substantially higher.

eBusiness - In September, we launched IDEXconnect.com. Our initial focus was on distributors that work with our Pump Group companies. At the end of the year, we had 121 users from six distributors on the system. During 2002, we will begin to add two or three distributors per week, continue to increase the functionality our customers and channel partners want, and expand this capability to other parts of IDEX. We are more confident than ever that this tool will make the IDEX channel more efficient and will reduce cost, cycle time, complexity and inventory. As with the other initiatives, momentum is building in eBusiness.

HIGH LEVELS OF CASH FLOW - IDEX continued to have strong cash flow in 2001, as free cash flow was more than two-times net income. Kaizen, Lean, Six Sigma, and the company-wide monthly best practice teleconferences have helped us reduce inventory and receivables. Our strong cash flow has enabled us to pay down debt, which allows us to make additional accretive acquisitions. At year end, our debt to total capital was 42%. In addition, we have aggressive goals to further reduce working capital over the next two years and are confident we can make even more progress.

SUCCESSFUL ACQUISITIONS - We acquired three companies in 2001 with combined annual sales of \$95 million: Liquid Controls, Class 1 and Versa-Matic. All of them benefited from our new rapid integration process and were smoothly rolled into IDEX. We are very pleased with their performance.

NEW PRODUCTS AND MARKETS - There were many product innovations in 2001, ranging from a new clamp tensioning tool in Band-It to a vehicle multiplex system in Class 1. In addition, we initiated a new three-year planning process to focus on redefined markets and products. In 2002, we expect to build momentum in organic growth through quarterly discussions with each business unit on its progress in this area. With this highlighted focus, I am confident we will make progress toward our objective of high single-digit organic growth.

DEVELOPING THE NEXT GENERATION OF LEADERSHIP - In 2001, we substantially changed our human resource process to expose organizational weaknesses, to identify talent and to differentiate compensation. In 2002 and beyond, our pipeline of talent will continue to improve. This will remain a key personal focus for me as we identify and develop our future leaders.

BELL JOINS BOARD - We also strengthened our board by adding Bradley J. Bell as a director. He is senior vice president and CFO for Rohm and Haas Company, a \$7 billion specialty chemical firm. We already are benefiting from his industrial background and active participation.

A STRONGER COMPANY IN 2002 - We enter 2002 a stronger, more focused and more nimble company. We are gaining traction in all our initiatives and have significant momentum. While the nature of our business gives us very limited visibility, we will have tremendous operating leverage when volumes do increase, and we are more prepared for whatever economic conditions arise. We expect a turnaround in our industrial markets this year, but we have sized the company for better performance at a lower level of business. We remain confident that our drive for operational excellence - combined with the commitment of our employees and channel partners, and the trust of our customers - will allow us to make this great company even better!

/s/ Dennis K. Williams

Dennis K. Williams

BUILDING
ON A SOLID
BUSINESS STRATEGY

Our 40 manufacturing facilities in 12 countries are committed to eliminating waste and removing steps that do not add value for our customers. This is one way we are building on IDEX's competitive advantages.

[PHOTO]

A Maxim double-diaphragm pump is being assembled, tested and packaged in Trebor's Class 1000 clean room to ensure high purity.

[PHOTO]

STARTING WITH THE CUSTOMER

Our company traditionally did a good job of meeting customer needs -- as we defined them. In the past year, with the launch of our Six Sigma initiative, we spent more time with customers to understand their evolving needs and how they measure our performance -- shorter cycle times, faster technical responses, fewer transaction errors, tighter definitions of on-time delivery, and better product reliability. The gap between our performance and our customers' desires becomes our Six Sigma target.

BUILDING ON COMPETITIVE ADVANTAGES

As the world leader in fluid-handling technologies for positive displacement pumps, dispensing equipment and other industrial equipment, we have a number of competitive advantages.

BRAND NAME PRODUCTS - IDEX offers a wide range of products with strong brand recognition, compared with the single line offered by most of its competitors. Our primary products are global leaders, including positive displacement pumps, color formulation equipment, fire truck pumps and rescue tools, and stainless steel banding and clamping devices.

HIGH-MARGIN, HIGHLY ENGINEERED PRODUCTS - IDEX tailors its highly engineered products to the specific needs of its niche market customers. This dedication, coupled with efficient operations, has enabled the company to outperform the Value Line Industrial Composite in operating margins every year since IDEX was formed.

STRONG DISTRIBUTION AND SERVICE - A significant portion of IDEX's products are sold through distributors in more than 100 countries around the world. In 2001, we renewed our efforts to constantly upgrade our distribution network. This included launching IDEXconnect.com to improve channel efficiency. Last year we selected 12 service-minded distributors to become Certified Service Centers. We currently have six more in training. Through these service partners, we will have better visibility on customer needs and product improvement ideas. Together, we will accelerate our service growth.

DIVERSE MARKETS - Serving diverse end-user and worldwide markets gives IDEX two benefits. No customer accounts for more than 2% of sales, and we reduce our dependence on particular geographic or industry segments.

MARKETS SERVED

[PIE CHART]

- -	PAINTS & COATINGS
- -	FIRE & RESCUE
- -	MACHINERY
- -	CHEMICAL PROCESSING
- -	PETROLEUM - LPG
- -	WATER TREATMENT
- -	FOOD & DRUGS
- -	TRANSPORTATION EQUIPMENT
- -	OIL & REFINING
- -	ELECTRONICS
- -	MEDICAL EQUIPMENT
- -	ALL OTHER
4	IDEX 2001

[PHOTO]

There are two key factors to IDEX's long-term growth: DELIGHTING CUSTOMERS and OPERATIONAL EXCELLENCE. These are the cornerstones of our business strategy.

HIGH LEVELS OF CASH FLOW - IDEX's free cash flow (cash flow from operations minus capital expenditures) has always exceeded its net income. The \$86 million of free cash flow in 2001 was a record performance. We expect these strong results to continue, as we focus on improving inventory turns and reducing receivables. The company set "stretch" goals in both areas and has tied management compensation to achieving significant improvements. In addition, we are targeting capital expenditures to areas that enhance our competitive advantage. By using operational excellence tools and global sourcing, we expect minimal capital investment will be required. This high level of cash flow enables the company to pay down debt and make acquisitions. Last year, our free cash flow helped us fund a significant portion of the \$132 million spent on three strong acquisitions, while continuing to reward shareholders with a dividend.

REGULAR FLOW OF NEW PRODUCTS - IDEX generates 25% of its annual sales from products we have introduced over the last four years. We believe this percentage will climb as we drive for higher organic growth rates.

SUCCESSFUL ACQUISITIONS - IDEX has acquired 19 businesses since going public in 1989. We continue to look for similar companies that 1) offer proprietary, highly engineered brand-name products; 2) are profitable; 3) contribute to earnings in the first year; 4) provide strong market positions; 5) serve adjacent markets or complement current lines; 6) reach a diverse customer base; and 7) have a strong management team.

ACHIEVING OPERATING EXCELLENCE

One of the cornerstones of our business model is achieving operational excellence. In 2001, we trained an extensive number of employees in Six Sigma techniques. In the latter part of the year, we added Kaizen and Lean manufacturing techniques to our toolkit. The following pages describe our progress in 2001 and the momentum we carry into 2002.

FREE CASH FLOW (in millions)

[BAR CHART]

IDEX's free cash flow has exceeded its net income every year since the company was founded.

2001 SALES FROM ACQUISITIONS

[PIE CHART]

- - 18% OF SALES CAME FROM ACQUISITIONS MADE IN THE LAST THREE YEARS

[PHOTO]

Kaizen, Lean and Six Sigma together form a powerful toolkit designed to help us delight our customers while improving IDEX's operations and lowering costs.

[PHOTO]

Master black belts, Matt Stillings and Jim Britt, lead a Six Sigma green belt training class.

MOMENTUM THROUGH KAIZEN

Kaizen eliminates waste -- from wasted motion to wasted space -- in each operation in the manufacturing process. Kaizen at IDEX - Kaizen projects generally last three to five days. A Kaizen champion works with employees to understand how they do their jobs, and how materials flow through this process. The group then uses Kaizen principles to determine how it can create a more efficient flow. Then the process is changed, and parts or components are produced in the new way by the end of the week. The benefits are immediate.

KAIZEN IN 2001 - Kaizen is being used to shorten cycle time, reduce the amount of manufacturing space needed and cut inventories. We introduced this approach in the third quarter and successfully completed 30 projects by year end. One example was improving the miniature motor mount assembly process at Gast. During this three-day event, the team reduced the floor space needed by 87%, dropped the cycle time from 511 seconds to 170, reduced the crew size by 50%, and lowered work-in-process inventory by 87%. Class 1 also realized significant savings in the manufacturing of a complex wiring harness. During this four-day Kaizen event, the team reduced the work-in-process inventory by 88%, scrap by 70%, crew size by 39%, and operator distance traveled by 98%. While this project generated annualized savings of \$140,000, the typical Kaizen event generates savings in the \$10,000 to \$15,000 range.

KAIZEN IN 2002 - Each business unit has a trained Kaizen champion. Our goal is to have at least one Kaizen event per month at every location.

MOMENTUM THROUGH LEAN

Lean techniques focus on a one-piece flow in manufacturing, based on customer needs. It is a visual "pull" system -- how many products does a customer need, versus a forecasted "batch" process -- how many products can we "push" through the system. Lean helps to change the overall manufacturing process to reduce cycle time, inventory, floor space and non-value-added work.

LEAN AT IDEX - A trained Lean champion works with groups of employees to create an "as is" process map. A new process "heart beat," or production rate, is established based on customer needs. As in Kaizen, the group determines a more efficient flow using Lean techniques and principles. Value streams are changed in a week and, like Kaizen, the results are immediate.

LEAN IN 2001 - We began deploying Lean techniques in the second quarter. As a result, we were able to reduce inventory, cycle time, floor space and product variation while increasing on-time performance.

Lubriquip, for example, initially focused its Lean effort on producing a specific mechanical product that historically had been built using a batch process. Using Lean, the team reduced production lead time by 86%, increased on-time delivery to 100% from 4%, lowered cycle time from 133 seconds to 89, and cut work-in-process inventory by 57%.

LEAN IN 2002 - Lean events and training will go on throughout the year at all operations. Each business will use the tools to continuously improve its manufacturing processes.

[PHOTO]

Softer markets and worldwide economies obscured much of our progress in 2001. However, our GROWTH INITIATIVES GAINED MOMENTUM during the year and will have near-and long-term positive effects.

MOMENTUM THROUGH SIX SIGMA

This is the most powerful tool in our toolbox. Six Sigma starts with customers, and identifying their critical-to-quality items. Then we measure the gap between their expectations and our actual performance. Once the causes are understood, a range of Six Sigma tools are used to attack and fix the problems. The changes in our processes and products are systemic and long lasting. Through using these powerful approaches, we are able to fix problems that have eluded solution by traditional techniques.

SIX SIGMA AT IDEX - Employees at different levels are trained in Six Sigma techniques to these standards:

- - Master black belts train and mentor other "belts."
- - Black belts work full-time on large-scope, complex projects.
- - Green belts use Six Sigma as part of their full-time operating responsibilities and lead smaller projects.
- - Yellow belts are trained in process mapping and data collection, so they can assist black and green belts.

We also are rolling out Six Sigma training to distributors. This is helping our key channel partners strengthen their businesses as well as their working relationships with IDEX -- and with our mutual customers.

SIX SIGMA IN 2001 - With six master black belts in the certification process, we are moving training and mentoring of additional belts in-house rather than continue to use a third party. By year-end, we had 48 black belts, 155 green belts and 377 yellow belts certified or in training. In addition, 20 distributors were nearly through green belt training.

We focused on projects to improve on-time delivery and increase product reliability. The annual savings from each black belt project was \$62,000 and \$15,000 for each green belt project. In 2001 we completed 108 projects for an estimated savings of \$2 million. Nearly half of the projects -- representing more than half of this savings -- were completed in the fourth quarter. This clearly demonstrates the growing momentum from Six Sigma.

Micropump, for example, used Six Sigma to improve its on-time delivery to an important original equipment manufacturer (OEM). It shortened cycle time 60% and improved on-time performance to 100%. Next, Micropump focused on product returns from this customer -- and was able to eliminate them. As a result, the OEM dropped the second supplier and awarded 100% of the business to Micropump. This represented a \$400,000 annual sales increase.

SIX SIGMA IN 2002 - While Six Sigma was a small net cost to the company in 2001, it will be a significant profit contributor in 2002. The focus will remain on product reliability and on-time performance. We also will expand to other customer critical-to-quality issues, such as technical response time and product innovation.

Our business leaders and their staffs will be trained to the green belt level to help accelerate the cultural change at IDEX.

[PHOTO]

Global sourcing is reducing our variable cost while providing components with equal or better quality.

[PHOTO]

John Fortin, Vice President - Manufacturing at Fluid Management - Americas; Mark Zhu, commodity engineer from China; and Tony Susic, commodity leader, discuss the assembly requirements of a globally sourced component.

MOMENTUM IN GLOBAL SOURCING

Each business unit has a cross-functional global sourcing team -- with purchasing, quality and engineering expertise -- that coordinates technical requirements for products. We also have four commodity leaders and two commodity engineers -- one in India and one in China. This group works together to streamline the global sourcing process, find new suppliers and leverage company-wide purchasing power.

GLOBAL SOURCING IN 2001 - Our objective was to jump-start the process and work toward our stretch goal of saving \$5 million. To better work with international suppliers, our cross-functional teams developed more detailed specifications of what we need. Commodity leaders traveled to China, India and Taiwan to identify new sources, and our engineers created a bridge between both sides of the world, ensuring each company got what it needed.

By year-end, we saved \$3.6 million. While below our stretch goal, it was great progress in the first full year of this effort. We saved an average of 41% on the price of globally sourced materials and components over prior suppliers' costs, at equal or better quality.

GLOBAL SOURCING IN 2002 - The momentum created in 2001 will propel IDEX to higher levels of savings in 2002. This includes \$6 million in savings from agreements already in place. In addition, there are \$23 million of component purchases in the trial stage, \$34 million of requests for quotations in process, and about \$170 million in total potential purchases. We expect to see a significant increase in savings throughout the year.

MOMENTUM IN SALES CHANNELS

Progress occurred on two fronts in this area: eBusiness and cross-selling.

eBUSINESS IN 2001 - Our goal was to make it easier to do business with IDEX while helping distributors better manage their operations. In September, we launched IDEXconnect.com for our Pump Products Group distributors. By year-end, six distributors and 121 users were on the system. They routinely accessed data from eight different pump business units and could use 12 modules, including order entry and order tracking.

eBUSINESS IN 2002 - We are adding a service module to improve aftermarket efforts for Certified Service Center and Positive PumpCare(TM) Program users. These tools include equipment repair histories and inventory data. We also will finalize a product configurator to help our customers and channel partners quickly and accurately specify the right product for their application. Our goal is to begin adding two-to-three distributors to IDEXconnect.com each week, and extend the system to include content for our Dispensing Equipment and Other Engineered Products Groups.

eBUSINESS WITH CAROTEK

"IDEXconnect.com already is saving us time and money by improving our efficiency," said Deryl Bell, president of Carotek (right), an IDEX Pump Group distributor. "In addition to price and order confirmation, we can get immediate access to key technical and sales information for all of the IDEX product lines we sell and service. The order and shipment tracking features are great, and serial number look-up for parts and repairs also is very valuable. We're not spending as much time on the phone, since the information is easy to find."

[PHOTO]

[PHOTO]

We are using GLOBAL SOURCING to reduce material costs, eBUSINESS and CROSS-SELLING to strengthen sales channels, a new definition of our markets to DEVELOP NEW PRODUCTS and expand sales opportunities, and ACQUISITIONS to build our top and bottom lines.

CROSS-SELLING IN 2001 - By reorganizing in late 2000, we more closely aligned operations with similar products, and created opportunities for the sales force to cross-sell the full line.

The municipal market is a good example. Although key to Pulsafeeder, it was rarely called on by any other IDEX company. Now Pulsafeeder municipal representatives present a broader product line to this market, including offerings from Viking and Warren Rupp, which will add incremental sales.

CROSS-SELLING IN 2002 - We are evaluating a number of markets for expansion, including pulp and paper, electric utility, and food and beverage.

MOMENTUM IN NEW PRODUCTS AND MARKETS

IDEX business units typically hold the #1 or #2 position in the niche markets they serve. This leadership position is key to our business model, but at the same time poses a barrier to organic growth.

EXPANDING PRODUCTS/MARKETS IN 2001 - Last year, all our operations were asked to look for sales opportunities beyond traditional markets. They did this by redefining their markets so they had no more than a 10% share rather than the typical average of 40%. This approach is leading to new products or product extensions to reach adjacent markets, and new applications for existing products.

The fire and rescue market -- and Class 1's ES-Key system -- is an excellent example. This vehicle multiplex system replaces bulky wiring bundles, which brings great flexibility to fire truck manufacturers and increased reliability for end users. Class 1 is expanding ES-Key's use beyond the traditional fire and rescue markets into other specialty vehicles, such as police cars, buses and street sweepers.

EXPANDING PRODUCTS/MARKETS IN 2002 - The market redefinition approach will generate many new product and market ideas in 2002 and beyond. This will help us reach our goal of high single-digit organic growth rates.

MOMENTUM IN ACQUISITIONS

This is an important part of our growth strategy, and we continue to see a number of attractive potential acquisitions.

ACQUISITIONS IN 2001 - Three companies met our criteria and were acquired last year. The total annual sales of these units were \$95 million.

- - Liquid Controls is a leading manufacturer of positive displacement flow meters and electronic registration and control products. Its customers include companies in mobile and stationary metering installations for wholesale and retail distribution of petroleum and LP gas.
- - Class 1 is a leading supplier of components and systems for the fire and rescue vehicle market. Its primary products include electronic information controls, engine information systems, electronic multiplexing units, electrical monitoring equipment and systems, and fire truck mechanical components.
- - Versa-Matic Tool is a leading manufacturer and distributor of air-operated, double-diaphragm pumps and pump replacement parts. Its products most often are used in the food processing, brewing, pharmaceutical, paint manufacturing, water treatment, pulp and paper, and printing markets.

All three companies were rapidly assimilated into IDEX using its new integration process.

ACQUISITIONS IN 2002 - While the timing of acquisitions is hard to predict, we are confident that IDEX can identify potential candidates in 2002 that meet its criteria.

BUSINESS GROUPS

IDEX'S BUSINESS UNITS ARE ORGANIZED INTO THREE GROUPS: PUMP PRODUCTS, DISPENSING EQUIPMENT AND OTHER ENGINEERED PRODUCTS.

These businesses design, manufacture and market an extensive array of proprietary, highly engineered fluid handling devices and other engineered equipment to customers in a variety of industries around the world.

2001 SALES

[PIE CHART]

- - 59% PUMP PRODUCTS
- - 19% DISPENSING EQUIPMENT
- - 22% OTHER ENGINEERED PRODUCTS

PUMP PRODUCTS

Gast Manufacturing - Liquid Controls - Micropump Pulsafeeder - Viking Pump - Warren Rupp Viking Pump

These six business units design, produce and distribute some of the most recognized names in industrial pumps, compressors, flow meters and related controls. Applications range from pumping and metering chemicals, gas and lubricants; to moving paints, inks and fuels; to providing clean, quiet sources of air in medical and industrial applications. The group's complementary lines of specialized positive displacement pumps and related products include rotary gear, vane and lobe pumps; air-operated diaphragm pumps; miniature gear pumps; peristaltic metering pumps and vacuum pumps; air motors and compressors; and flow meters. These precision-engineered devices give customers an unparalleled range of choices to meet their needs.

The Pump Products Group accounted for 59% of our sales and 61% of our profits in 2001, with 37% of sales to customers outside the U.S.

[GRAPHIC VIKING PUMP]
[GRAPHIC PULSAFEEDER]
[GRAPHIC WARREN RUPP]
[GRAPHIC GAST MANUFACTURING]

DISPENSING EQUIPMENT

FAST - FLUID MANAGEMENT - LUBRIQUIP

This group consists of three business units that produce highly engineered equipment for dispensing, metering and mixing colorants, paints, inks, and dyes; refinishing equipment; and centralized lubrication systems. This proprietary equipment is used in a variety of retail and commercial industries around the world. These business units provide engineered equipment and systems as well as service for applications such as tinting paints and coatings, providing industrial and automotive refinishing equipment, and the precise lubrication of machinery and transportation equipment.

The Dispensing Equipment Group contributed 19% of our sales and 14% of our profits in 2001, and 57% of the group's sales were to international customers.

[GRAPHIC FAST]
[GRAPHIC LUBRIQUIP]
[GRAPHIC FLUID MANAGEMENT]

OTHER ENGINEERED PRODUCTS

BAND-IT - HALE PRODUCTS

The two business units in this group manufacture engineered stainless steel banding and clamping devices, and pumps, rescue tools and other components and systems for the fire and rescue industry. Our high quality stainless steel bands, buckles and preformed clamps and related installation tools are used worldwide in industrial and commercial markets. They are used to secure hoses, signals, pipes, poles, electrical lines, sign-mounting systems and many other "hold-together" applications. The group also includes the world's leading manufacturer of truck-mounted fire pumps, rescue tools, and control devices and systems, sold under the Hale, Hurst Jaws of Life, Lukas and Class 1 trade names.

This group represented 22% of our sales and 25% of our profits in 2001. Sales to non-U.S. customers accounted for 41% of total group sales.

[GRAPHIC HALE PRODUCTS]

[GRAPHIC BAND-IT]

2001 PROFITS

[PIE CHART]

- - 61% PUMP PRODUCTS
- - 14% DISPENSING EQUIPMENT
- - 25% OTHER ENGINEERED PRODUCTS

HISTORICAL DATA

(dollars in thousands except share and per share amounts)

	2001	2000	1999	1998	1997	1996
Results of Operations						
Net sales	\$726,947	\$704,276	\$655,041	\$ 640,131	\$ 552,163	\$ 474,699
Gross profit	263,722	277,952	256,484	252,846	222,357	187,074
SG&A expenses	164,893	149,639	140,495	132,627	110,588	93,217
Goodwill amortization	14,165	11,797	11,312	10,676	8,174	6,241
Restructuring charge	11,226	--	--	--	--	--
Operating income	73,438(2)	116,516	104,677	109,543	103,595	87,616
Other income (expense)	731	1,031	568	479	(693)	(696)
Interest expense	20,738	16,521	18,020	22,359	18,398	17,476
Provision for income taxes	20,721	37,581	32,797	33,267	31,029	25,020
Income from continuing operations	32,710	63,445	54,428	54,396	53,475	44,424
Income from discontinued operations	--	--	--	10,182	5,151	5,774
Extraordinary items	--	--	--	(2,514)	--	--
Net income	32,710(2)	63,445	54,428	62,064	58,626	50,198
Financial Position						
Current assets	\$214,903	\$232,089	\$213,715	\$ 195,900	\$ 197,267	\$ 191,599
Current liabilities	87,338	177,811(1)	91,634	80,265	77,801	83,286
Working capital	127,565	54,278(1)	122,081	115,635	119,466	108,313
Current ratio	2.5	1.3(1)	2.3	2.4	2.5	2.3
Capital expenditures	21,639	20,739	18,338	20,763	13,562	11,634
Depreciation and amortization	44,297	36,704	34,835	33,575	24,943	21,312
Total assets	838,804	758,854	738,567	695,811	599,193	569,745
Total debt	291,820	241,886	268,589	283,410	258,417	271,709
Shareholders' equity	401,112	374,502	329,024	286,037	238,671	195,509
Performance Measures						
Percent of net sales						
Gross profit	36.3%	39.5%	39.2%	39.5%	40.3%	39.4%
SG&A expenses	22.7	21.2	21.4	20.7	20.0	19.6
Goodwill amortization	1.9	1.7	1.7	1.7	1.5	1.3
Restructuring charge	1.5	--	--	--	--	--
Operating income	10.1(2)	16.5	16.0	17.1	18.8	18.5
Income before income taxes	7.4	14.3	13.3	13.7	15.3	14.6
Income from continuing operations	4.5	9.0	8.3	8.5	9.7	9.4
Effective tax rate	38.8	37.2	37.6	37.9	36.7	36.0
Net income return on average assets	4.1	8.5	7.6	9.6	10.0	9.8
Debt as a percent of capitalization	42.1	39.2	44.9	49.8	52.0	58.2
Net income return on average shareholders' equity	8.4	18.0	17.7	23.7	27.0	29.0
Per Share Data(3)						
Basic - income from continuing operations	\$ 1.08	\$ 2.13	1.84	\$ 1.85	\$ 1.83	\$ 1.54
- net income	1.08	2.13	1.84	2.12	2.01	1.74
Diluted						
- income from continuing operations	1.05(2)	2.07	1.81	1.81	1.78	1.49
- net income	1.05(2)	2.07	1.81	2.07	1.95	1.69
Cash dividends declared	.56	.56	.56	.545	.495	.44
Shareholders' equity	13.05	12.38	11.10	9.71	8.16	6.76
Stock price - high	37.20	36.00	34.13	38.75	36.69	27.63
- low	24.90	22.75	21.63	19.50	23.25	19.88
- close	34.50	33.13	30.38	24.50	34.88	26.63
Price/earnings ratio at year end	33(2)	16	17	14	20	16
Other Data(3)						
Employees at year end	3,873	3,880	3,773	3,803	3,326	3,093
Shareholders at year end	5,500	5,200	5,600	7,000	7,000	6,100
Weighted average shares outstanding						
- basic	30,222	29,726	29,544	29,332	29,184	28,818
- diluted	31,047	30,632	30,085	30,052	29,999	29,779
Shares outstanding at year end (net of treasury)	30,734	30,258	29,636	29,466	29,250	28,926

(1) Excluding short-term debt, current liabilities were \$89,734, working capital was \$142,355 and the current ratio was 2.6.

(2) Excluding the restructuring charge, operating income was \$84,664, net income was \$39,782, operating income as a percent of net sales was 11.6%, diluted earnings per share were \$1.28 and the price/earnings ratio was 27.

(3) All share and per share data have been restated to reflect the three-for-two stock splits effected in the form of 50% stock dividends in January 1995 and 1997.

1995	1994	1993	1992	1991	1990
\$395,480	\$319,231	\$239,704	\$ 215,778	\$166,724	\$ 160,605
157,677	126,951	96,903	88,312	67,845	65,712
78,712	66,743	52,950	49,326	34,046	29,930
4,196	3,025	1,889	1,422	525	487
--	--	--	--	--	--
74,769	57,183	42,064	37,564	33,274	35,295
524	281	728	602	587	448
14,301	11,939	9,168	9,809	10,397	11,795
21,845	16,181	11,187	9,763	8,993	9,221
39,147	29,344	22,437	18,594	14,471	14,727
6,178	4,266	2,889	1,552	1,446	976
--	--	--	(3,441)	1,214	2,145
45,325	33,610	25,326	16,705	17,131	17,848
\$173,889	\$140,450	\$106,864	\$ 107,958	\$ 68,671	\$ 68,807
70,798	58,443	34,038	31,276	25,940	23,852
103,091	82,007	72,826	76,682	42,731	44,955
2.5	2.4	3.1	3.5	2.6	2.9
8,181	6,818	6,120	5,657	2,778	4,025
15,277	12,515	10,092	8,758	5,750	4,842
450,077	357,980	245,291	240,175	137,349	127,466
206,184	168,166	117,464	139,827	65,788	103,863
150,945	116,305	83,686	58,731	37,112	(4,287)
39.9%	39.8%	40.4%	40.9%	40.7%	40.9%
19.9	20.9	22.1	22.9	20.4	18.6
1.1	1.0	.8	.7	.3	.3
--	--	--	--	--	--
18.9	17.9	17.5	17.4	20.0	22.0
15.4	14.3	14.0	13.1	14.1	14.9
9.9	9.2	9.4	8.6	8.7	9.2
35.8	35.5	33.3	34.4	38.3	38.5
11.2	11.1	10.4	8.9	12.9	14.1
57.7	59.1	58.4	70.4	63.9	104.3
33.9	33.6	35.6	34.9	104.4	--
\$ 1.37	\$ 1.03	\$.79	\$.66	\$.57	\$.61
1.58	1.18	.89	.59	.68	.73
1.32	1.00	.77	.65	.57	.61
1.53	1.15	.87	.59	.68	.73
.387	.093	--	--	--	--
5.26	4.06	2.93	2.07	1.32	(.18)
29.50	19.50	16.00	10.63	8.88	7.75
18.38	15.13	9.75	7.38	4.25	4.63
27.13	18.75	15.88	10.63	7.38	4.75
18	16	18	18	11	7
2,680	2,305	1,828	1,864	1,418	1,367
5,300	4,400	4,300	4,200	3,900	3,700
28,662	28,600	28,396	28,353	25,367	24,309
29,609	29,331	28,976	28,389	25,367	24,309
28,695	28,619	28,580	28,353	28,184	24,303

NET SALES
(in millions)

[BAR CHART]

Sales have grown at a 14% compound annual rate since 1989.

OPERATING MARGINS
(continuing operations before restructuring)

[BAR CHART]

IDEX has a history of achieving high operating margins, which were impacted by the manufacturing recession in 2001.

EARNINGS PER SHARE - DILUTED
(continuing operations before restructuring)

[BAR CHART]

Weak economic conditions in 2001 reduced the compound annual growth rate since 1989 to 10%. The growth initiatives put in place in 2001 will improve IDEX's long-term profitability.

[PHOTO OF WAYNE SAYATOVIC, DOUG LENNOX AND CLINT KOOMAN]

From left to right, front row:

Wayne Sayatovic (Senior Vice President - Finance and Chief Financial Officer),
Doug Lennox (Vice President - Treasurer).

Standing: Clint Kooman (Vice President - Controller).

HISTORICAL OVERVIEW AND OUTLOOK

IDEX sells a broad range of proprietary pumps, metering devices, dispensing equipment and other engineered products to a diverse customer base in the United States and internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where its products are sold, and by the relationship of the U.S. dollar to other currencies. Among the factors that influence the demand for IDEX's products are interest rates, levels of capacity utilization and capital spending in certain industries, and overall industrial activity.

IDEX has a history of above-average operating margins. The Company's operating margins are affected by, among other things, utilization of facilities as sales volumes change and including newly acquired businesses, which may have lower margins and whose margins are normally further reduced by purchase accounting adjustments.

Beginning in 2002, purchase accounting adjustments will not significantly affect IDEX's margins, since the Company will no longer amortize goodwill and intangible assets with indefinite lives to earnings, in accordance with new accounting rules. Instead, IDEX will periodically review these assets for impairment as explained under the "New Accounting Pronouncement" section on page 21.

For 2001, IDEX reported record orders and sales, while recording lower net income and earnings per share compared with the prior year. New orders in 2001 totaled \$713.4 million, 2% above the prior year. Excluding the impact of foreign currency and the five acquisitions made since the beginning of 2000 (Ismatec - April 2000, Trebor - May 2000, Class 1 - January 2001, Liquid Controls - January 2001 and Versa-Matic - June 2001), orders were 9% lower than 2000. The Company's order declines were associated with the weaknesses in the North American and European manufacturing sectors and the aftermath of the September 11 terrorist attacks. At December 31, 2001, IDEX had an unfilled order backlog of slightly over one month's sales, consistent with recent periods.

The year 2001 was a very difficult one for the country and for IDEX as a manufacturer of industrial products. The slowdown in IDEX's business that started in the second half of 2000, lingered into the first half of 2001, and then deteriorated further in the third quarter even before the tragic events of September 11. Business activity levels for the fourth quarter dropped even more in the aftermath of the terrorist attacks and the onset of the war against terrorism. In 2001, IDEX wrote \$190 million of orders in the first quarter, \$191 million in the second, \$171 million in the third, and only \$161 million in the last quarter. Since IDEX operates with a very small backlog of unfilled orders, reductions in order activity very quickly will reduce sales and profitability.

These order declines were associated with continuing weaknesses in virtually all worldwide manufacturing sectors. The most significant impact has been felt in the Dispensing Equipment Group - which serves the paints and coatings, automotive and general industrial markets - where sales comparisons with the prior year were down 27% for the fourth quarter and 17% for the full year. All three businesses in this Group were affected, as fourth quarter operations were below breakeven levels and full-year profits were down 57% from 2000.

As a direct result of the depressed business environment, the Company's management took aggressive actions in the first and fourth quarters to further downsize operations to be consistent with reduced business activity levels. A total restructuring charge of \$11.2 million (\$7.1 million after tax, or 23 cents per diluted share) was taken that affected all three business groups. During the year, the workforce at IDEX was reduced by 15 percent, affecting almost 600 employees. These actions were necessary to appropriately size IDEX's businesses, lower costs and improve efficiencies. The annual savings from these actions will exceed the total charge recorded. Despite the very difficult economic environment, IDEX continued to generate excellent cash flow. The Company's free cash flow (cash flow from operations minus capital expenditures) has exceeded net income every year since IDEX was formed in 1988. Free cash flow in 2001 was a record \$86 million, which was more than double its net income before restructuring.

Looking ahead to 2002, the Company's performance will depend on the pace of incoming business. It is exceedingly difficult to project what orders will be given the current economic and political environment. IDEX operates with a very small backlog of unfilled orders, and it is not able to assess how long the softness in several of its end-markets is likely to last. The Company's performance will depend upon the strength of the U.S. and key international economies. The Company believes IDEX is well positioned for a strong recovery once economic conditions improve. This is based on its reduced cost structures; the margin improvement initiatives of Six Sigma, global sourcing and eBusiness; and the use of strong cash flow to cut debt and interest expense. In addition, IDEX continues to pursue acquisitions to drive its longer term profitable growth.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

The "Historical Overview and Outlook" and the "Liquidity and Capital Resources" sections of this "Management's Discussion and Analysis" of IDEX's financial condition and results of operations contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to, among other things, capital expenditures, cost reduction, cash flow and operating improvements, and are indicated by words such as "anticipate," "estimate," "expects," "plans," "projects," "should," "will," "management believes," "the Company intends" and similar words or phrases. The statements are subject to inherent uncertainties and risks that could cause actual results to vary materially from suggested results, including but not limited to the following: economic and political consequences resulting from the September 11, 2001 terrorist actions; levels of industrial activity and economic conditions in the U.S. and other countries around the world, pricing pressures and other competitive factors, and levels of capital spending in certain industries, all of which could have a material impact on order rates and the Company's results, particularly in light of the low levels of order backlogs it typically maintains; IDEX's ability to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; interest rates; utilization of IDEX's capacity and the affect of capacity utilization on costs; labor market conditions and raw material costs; developments with respect to contingencies, such as litigation and environmental matters; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

Investors also should be aware that while IDEX does, from time to time, communicate with securities analysts, it is against IDEX's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, shareholders should not assume that IDEX agrees with any statement or report issued by any analyst regardless of the content of the statement or report. In addition, IDEX has a policy against issuing or confirming their financial forecasts, projections, or opinions and these reports are not developed by, nor are they the responsibility of, IDEX.

RESULTS OF OPERATIONS

For purposes of this "Management's Discussion and Analysis" section, reference is made to the table on page 18 and the Company's Statements of Consolidated Operations on page 23.

IDEX consists of three reporting groups: Pump Products, Dispensing Equipment and Other Engineered Products.

The Pump Products Group designs, produces and markets a wide range of engineered industrial pumps, compressors, flow meters and related controls for process applications, including mixing and metering paints, inks, chemicals, foods, lubricants and fuels, as well as in medical, pharmaceutical and semiconductor applications, water treatment and industrial production operations. The Dispensing Equipment Group designs, manufactures and distributes precision-engineered equipment for dispensing, metering and mixing paints; refinishing equipment; and automatic lubrication systems. The Other Engineered Products Group designs, produces and distributes proprietary engineered products for industrial and commercial markets including fire and rescue, transportation equipment, oil and gas, electronics, communications, and traffic and commercial signs.

PERFORMANCE IN 2001 COMPARED WITH 2000

IDEX achieved record orders and sales, but reported lower net income and earnings per share in 2001 compared with the prior year. New orders in 2001 totaled \$713.4 million and were 2% above the prior year. Excluding the impact of foreign currency and the five acquisitions made since the beginning of 2000, orders were 9% lower.

Sales for 2001 increased by 3% to \$726.9 million from \$704.3 million. Acquisitions accounted for a 13% improvement, which was partially offset by a 9% decline in base business sales and a 1% unfavorable currency translation. Net income was \$32.7 million, which was 48% lower than the \$63.4 million earned in 2000. Diluted earnings per share decreased by \$1.02 to \$1.05, down 49% compared with 2000. Excluding the restructuring charge, net income was \$39.8 million, 37% lower than the \$63.4 million earned in the prior year, and diluted earnings per share were \$1.28, down 38% from \$2.07.

INTERNATIONAL SALES

[LINE CHART]

International growth continues to be a key factor in IDEX's success.

EBITDA and INTEREST EXPENSE

(in millions)

[LINE CHART]

IDEX's cash flow coverage of interest expense has improved significantly.

ASSETS AND TOTAL DEBT
(in millions)

[LINE CHART]

IDEX's balance sheet has strengthened considerably.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(in thousands)

FOR THE YEARS ENDED DECEMBER 31, (1)	2001	2000	1999
Pump Products Group			
Net sales(2)	\$ 427,037	\$ 394,999	\$ 372,440
Operating income(3)	61,758	73,557	65,673
Operating margin	14.5%	18.6%	17.6%
Identifiable assets	\$ 462,275	\$ 391,831	\$ 355,983
Depreciation and amortization	24,124	19,658	19,327
Capital expenditures	10,251	10,656	8,616
Dispensing Equipment Group			
Net sales (2)	\$ 137,407	\$ 166,362	\$ 140,996
Operating income(3)	13,957	32,496	25,614
Operating margin	10.2%	19.5%	18.2%
Identifiable assets	\$ 180,361	\$ 204,891	\$ 216,273
Depreciation and amortization	9,719	8,845	8,124
Capital expenditures	5,129	5,175	5,896
Other Engineered Products Group			
Net sales(2)	\$ 164,815	\$ 145,823	\$ 144,486
Operating income(3)	25,032	27,437	26,660
Operating margin	15.2%	18.8%	18.5%
Identifiable assets	\$ 181,032	\$ 148,753	\$ 154,490
Depreciation and amortization	7,920	6,474	6,769
Capital expenditures	5,987	4,796	3,739
Company			
Net sales	\$ 726,947	\$ 704,276	\$ 655,041
Before restructuring:			
Operating income	84,664	116,516	104,677
Operating margin	11.6%	16.5%	16.0%
After restructuring:			
Operating income	\$ 73,438	\$ 116,516	\$ 104,677
Operating margin	10.1%	16.5%	16.0%
Total assets	838,804	758,854	738,567
Depreciation and amortization(4)	43,933	36,480	34,464
Capital expenditures	21,639	20,739	18,338

(1) Includes acquisition of Versa-Matic Tool, Inc. (June 2001), Liquid Controls L.L.C. (January 2001), Trebor International, Inc. (May 2000) and Ismatec S.A. (April 2000) in the Pump Products Group; FAST S.p.A. (June 1999) in the Dispensing Equipment Group; and Class 1, Inc. (January 2001) in the Other Engineered Products Group from dates of acquisition.

(2) Group net sales include intersegment sales.

(3) Group operating income excludes net unallocated corporate operating expenses for all years and the restructuring charge in 2001. The restructuring charge of \$11,226 was not assigned to the individual groups. Had the Company allocated the restructuring charge, it would have been assigned to the groups as follows: Pump Products (\$7,769), Dispensing Equipment (\$1,894) and Other Engineered Products (\$1,563). Excluding the restructuring charge, IDEX's fully diluted earnings per share would have been \$1.28 for the year ended December 31, 2001.

(4) Excludes amortization of debt issuance expenses.

For 2001, the Pump Products Group contributed 59% of sales and 61% of operating income, the Dispensing Equipment Group accounted for 19% of sales and 14% of operating income, and the Other Engineered Products Group represented 22% of sales and 25% of operating income. In 2001, international sales were up 6% and domestic sales increased by 1% compared with 2000. International sales were 42% of total sales, up from 41% in the prior year.

Pump Products Group sales of \$427.0 million increased by \$32.0 million, or 8%, in 2001 compared with 2000, principally reflecting the Ismatec, Trebor, Liquid Controls and Versa-Matic acquisitions, which added 17% to sales in 2001. Compared to 2000, base business sales volume was down 8% and foreign currency had a 1% negative effect. In 2001, international sales grew 22% and domestic sales increased by 1%, principally reflecting the recent acquisitions. As a result, sales to customers outside the U.S. increased to 37% of total group sales in 2001 from 33% in 2000. Excluding acquisitions and foreign currency, base international sales were down 3%

from the prior year and base U.S. sales volume decreased by 10%, with the lower sales principally caused by continuing weakness in the North American and European manufacturing sectors.

Dispensing Equipment Group sales of \$137.4 million decreased by \$29.0 million, or 17%, in 2001 compared with 2000. Base business sales were down 16% and foreign currency translation had a 1% negative effect. Excluding foreign currency, international sales were down 10% in 2001 from the prior year and domestic sales decreased by 22% due to continuing weak conditions in the North American and European end-markets, which caused significant year-over-year volume declines at all three businesses in this group. Sales to customers outside the U.S. were 57% of total group sales in 2001, up from 55% in 2000.

Other Engineered Products Group sales of \$164.8 million increased by \$19.0 million, or 13%, in 2001 compared with 2000, principally reflecting the Class 1 acquisition, which added 18% to sales in 2001. Overall base business sales decreased by 3% and foreign currency translation had a 2% negative effect. In 2001, domestic sales increased by 23% and international sales increased by 1%. Sales to customers outside the U.S. were 41% of total group sales in 2001, down from 46% in 2000, principally reflecting the change in sales mix due to the Class 1 acquisition. Excluding foreign currency and acquisitions, base international sales in 2001 increased by 4% compared with the prior year, while the base U.S. sales volume decreased by 9%, due to the soft conditions in most U.S. end-markets.

Gross profit of \$263.7 million in 2001 decreased by \$14.2 million, or 5%, from 2000. Gross profit as a percent of sales was 36.3% in 2001 and decreased from 39.5% in 2000. The decline in gross profit and gross margins was attributable to significantly lower base business sales volumes, production inefficiencies and under-absorption of manufacturing expenses related to lower volumes and planned inventory reductions, and the addition of lower margin acquisitions. Selling, general and administrative (SG&A) expenses increased to \$164.9 million in 2001 from \$149.6 million in 2000 due to including acquisitions. As a percent of net sales, SG&A expenses were 22.7%, up from 21.2% in 2000. The increase principally reflected significantly lower base business sales volumes and incremental up-front costs associated with implementing the Company's Six Sigma and eBusiness initiatives. Goodwill amortization increased by \$2.4 million to \$14.2 million in 2001, reflecting the recent acquisitions. As a percent of sales, goodwill amortization remained flat at about 2% for both years.

Operating income decreased by \$43.1 million, or 37%, to \$73.4 million in 2001 from \$116.5 million in 2000. Excluding the restructuring charge, operating income as a percent of sales decreased to 11.6% in 2001 from 16.5% in 2000. The decreases in operating income and operating margin were reflected at all three business groups. They were attributable to significantly lower base business sales volumes, production inefficiencies and under-absorption of manufacturing expenses related to lower volumes and planned inventory reductions, addition of lower margin acquisitions and incremental costs associated with implementing the company initiatives. In the Pump Products Group, operating income of \$61.8 million and operating margin of 14.5% in 2001 compared with the \$73.6 million and 18.6% recorded in 2000. With a 17% year-over-year sales decline, profitability of the Dispensing Equipment Group had the most significant decrease of the Company's three groups, as operating income of \$14.0 million and operating margin of 10.2% decreased from \$32.5 million and 19.5% in 2000. Operating income in the Other Engineered Products Group of \$25.0 million and operating margin of 15.2% in 2001 decreased from \$27.4 million and 18.8% recorded in 2000. During 2001, IDEX recorded a restructuring charge totaling \$11.2 million (\$7.1 million after tax, or \$.23 per share), to properly size the Company's operations to the then current business conditions. The restructuring affected all three business groups and reduced the workforce, lowered costs, improved efficiencies and addressed excess capacity that resulted from lower demand and more efficient processes at the Gast and Hale business units.

Interest expense increased to \$20.7 million in 2001 from \$16.5 million in 2000. The increase principally was due to the additional debt incurred to acquire the Ismatec, Trebor, Liquid Controls, Class 1 and Versa-Matic businesses, which was partially offset by lower interest rates.

The provision for income taxes decreased to \$20.7 million in 2001 from \$37.6 million in 2000, reflecting lower income. The effective tax rate increased to 38.8% in 2001 from 37.2% in 2000, primarily due to the lower income combined with the relative impact of certain nondeductible goodwill amortization expenses.

Net income of \$32.7 million in 2001 was 48% lower than the \$63.4 million recorded in 2000. Diluted earnings per share were \$1.05 in 2001, a decrease of \$1.02, or 49%, from the \$2.07 achieved in 2000. Net income before the restructuring charge was \$39.8 million, 37% lower than the \$63.4 million earned in the prior year, and diluted earnings per share were \$1.28, down 38% from \$2.07.

PERFORMANCE IN 2000 COMPARED WITH 1999

IDEX achieved record orders, sales, net income and earnings per share in 2000. Incoming orders totaled \$699 million, 7% higher than in 1999. Recent acquisitions (FAST - June 1999, Ismatec - April 2000 and Trebor - May 2000) added 5% to full-year orders, and base business orders increased by 5%, while foreign currency translation had a 3% negative effect. All three groups showed year-over-year improvements.

Net sales for 2000 reached \$704.3 million and increased \$49.3 million, or 8%, over 1999. Base business sales were up 6% and acquisitions added 5%, while foreign currency translation had a 3% negative effect. Sales to customers outside the U.S. were 41% of total sales in 2000, up from 39% in the prior year. International sales increased by 12% for 2000, while domestic sales rose 4%.

Excluding the recent acquisitions and foreign currency translation, international sales increased by 11%, reflecting higher sales volume in all international markets.

Pump Products Group sales of \$395.0 million in 2000 increased by \$22.6 million, or 6%, from 1999, principally reflecting 3% higher base business sales and the Ismatec and Trebor acquisitions, which added 4% to the sales growth. Foreign currency translation had a 1% negative effect on the Group's sales comparison to 1999. International sales grew by 13%, while domestic sales increased by 3%. As a result, sales to customers outside the U.S. increased to 33% of total group sales in 2000 from 31% in 1999, principally due to higher sales in Europe.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

[PHOTO OF MEN LISTED BELOW]

From left to right, front row: Jerry Derck (Vice President - Human Resources), John McMurray (Vice President - Operational Excellence).

From left to right, back row: Dennis Metcalf (Vice President - Corporate Development), Chuck Hemann (Director - eBusiness), Frank Notaro (Vice President - General Counsel and Secretary), Jerry Owen (Director - Service and Distributor Relations).

Dispensing Equipment Group sales of \$166.4 million increased by \$25.4 million, or 18%, compared with the prior year. Overall base business sales increased by 13% and the FAST acquisition added 11%, while foreign currency translation had a 6% negative effect. International sales grew by 34%, while domestic sales increased by 3%. The increase in international sales reflected including FAST in 2000 for a full year and higher base business volume. Sales to customers outside the U.S. were 55% of total group sales in 2000, up from 48% in 1999, resulting primarily from the additional international sales from the FAST acquisition.

Other Engineered Products Group sales of \$145.8 million increased by \$1.3 million, or 1%, compared with 1999. Overall base business sales increased by 5% and foreign currency translation had a 4% negative effect. Domestic sales increased by 10%, while international sales were 8% lower (1% excluding foreign currency translation). Sales to customers outside the U.S. were 46% of total group sales in 2000, down from 51% in 1999, reflecting a change in sales mix and the effects of foreign currency translation.

Gross profit of \$278.0 million in 2000 increased by \$21.5 million, or 8%, from 1999. Gross profit as a percent of sales was 39.5% in 2000, up slightly from 39.2% in 1999. SG&A expenses increased to \$149.6 million in 2000 from \$140.5 million in the prior year, but as a percent of net sales, decreased to 21.2% from 21.4%. Goodwill amortization increased by 4% to \$11.8 million in 2000 from \$11.3 million in 1999. As a percent of sales, goodwill amortization remained flat at about 2% for both years.

Operating income increased by \$11.8 million, or 11%, to \$116.5 million in 2000 from \$104.7 million in the prior year, and as a percent of sales, improved to 16.5% from 16.0%. These increases reflected improvements at all three business groups and resulted from higher sales volumes, expense controls and productivity improvements. In the Pump Products Group, operating income of \$73.6 million and operating margin of 18.6% compared with the \$65.7 million and 17.6% recorded in 1999. In the Dispensing Equipment Group, operating income of \$32.5 million and operating margin of 19.5%, increased from the \$25.6 million and the 18.2% recorded in 1999. Operating income in the Other Engineered Products Group of \$27.4 million and operating margin of 18.8%, increased from the \$26.7 million and 18.5% achieved in 1999.

Interest expense decreased to \$16.5 million in 2000 from \$18.0 million in 1999. The change was due to debt reductions from operating cash flow, partially offset by additional debt incurred to acquire the FAST, Ismatec and Trebor businesses.

The provision for income taxes increased to \$37.6 million in 2000 from \$32.8 million in 1999, reflecting higher income. The effective tax rate decreased to 37.2% in 2000 from the 37.6% in 1999.

Net income of \$63.4 million in 2000 was 17% higher than the \$54.4 million recorded in 1999. Diluted earnings per share were \$2.07, an increase of \$.26, or 14%, from the \$1.81 achieved in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, IDEX's working capital was \$127.6 million and its current ratio was 2.5 to 1. The Company's cash flow provided from operations increased by \$14.6 million to \$107.3 million in 2001, principally due to reductions in receivables and inventories, which were partially offset by lower income.

Cash flow from operations was more than adequate to fund capital expenditures of \$21.6 million, \$20.7 million and \$18.3 million in 2001, 2000 and 1999, respectively. Capital expenditures generally were used for machinery and equipment to improve productivity, although a portion was for business system technology and 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.

The Company completed the acquisitions of Liquid Controls, Class 1 and Versa-Matic during 2001 for a cash purchase price of \$132.3 million. The acquisitions were accounted for using the purchase method and were financed under the Company's U.S. bank credit facilities.

During June 2001, IDEX signed a new, five-year multi-currency Credit Agreement replacing the former Credit Facility, which was to expire on July 1, 2001, and the German Facility, which was to expire on November 1, 2001. At December 31, 2001, the maximum amount available under the Credit Agreement was \$300 million, of which \$112.3 million was borrowed, including \$59.3 million in western European currencies. These borrowings provide an economic hedge against the net investment in the four operations located in Europe. Interest is payable quarterly on the outstanding balance at the agent bank's reference rate, or at LIBOR plus an applicable margin, and a utilization fee if the total borrowings exceed certain levels. The applicable margin is based on IDEX's debt rating and can range from 25 basis points to 100 basis points. The utilization fee can

range from zero to 25 basis points. At December 31, 2001, the applicable margin was 80 basis points plus a utilization fee of 12.5 basis points since the borrowings exceeded 33% of the total available. The Company pays an annual fee of 20 basis points on the total facility.

The Company and certain of its subsidiaries entered into an agreement in December 2001 with a financial institution under which it collateralized certain receivables for the borrowings (Receivables Facility). The Receivables Facility provides for borrowings of up to \$50 million depending upon the level of eligible receivables. At December 31, 2001, \$25 million was borrowed and included in long-term debt at an annual interest rate of approximately 3.4%.

The Company has a \$20 million demand line of credit (Short-Term Facility), which expires December 1, 2002. Borrowings under the Short-Term Facility are at the bank's reference rate, or based on LIBOR plus 80 basis points per annum. At December 31, 2001, there were no borrowings under the Short-Term Facility.

IDEX believes it will generate sufficient cash flow from operations in 2002 to meet its operating requirements, interest on all borrowings outstanding in long-term debt, any authorized share repurchases, restructuring expenses, approximately \$27 million of planned capital expenditures and \$17 million of annual dividend payments to holders of common stock. Since it began operations in January 1988 through December 31, 2001, IDEX has borrowed \$809 million under its various credit agreements to complete 19 acquisitions. During this period IDEX generated, principally from operations, cash flow of \$682 million to reduce its indebtedness. In the event that suitable businesses are available for acquisition upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through incurring additional long-term debt. The Credit Agreement contains a covenant that limits total debt outstanding to three-times operating cash flow. At December 31, 2001, IDEX was limited to \$377 million of total debt outstanding. IDEX's contractual obligations and commercial commitments include rental payments under operating leases, payments under capital leases, long-term debt obligations and other long-term obligations arising in the ordinary course of business. The Company has no off-balance sheet arrangements or material long-term purchase obligations. There are no identifiable events or uncertainties, including the lowering of IDEX's credit rating, that would accelerate payment or maturity of any of these commitments or obligations.

NEW ACCOUNTING PRONOUNCEMENT

IDEX historically accounted for all business combinations using the purchase method and will continue to use this method for all prospective business combinations. At December 31, 2001, goodwill totaled \$454.6 million, which is subject to periodic review for impairment under SFAS No. 142. After reviewing the estimated fair market values, both in the aggregate and at individual business units, IDEX recorded no impairment to goodwill on January 1, 2002. If future operating performance at its business units would fall significantly below current levels, the Company would reflect a non-cash charge for goodwill impairment to its results of operations in that period.

The pronouncement also requires that goodwill and certain intangible assets with indefinite lives no longer be amortized to earnings. Had the new accounting pronouncement been adopted on January 1, 2001, IDEX's reported diluted earnings per share in 2001 would have increased by \$.37 from \$1.05 to \$1.42.

EURO PREPARATIONS

Beginning in 1998, the Company upgraded its business systems to accommodate the euro currency. The cost of this upgrade was immaterial to the Company's financial results. Although difficult to predict, any competitive implications and any impact on existing financial instruments resulting from the euro implementation also are expected to be immaterial to the Company's results of operations, financial position or liquidity.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to market risk associated with changes in interest rates and foreign currency exchange rates. Interest rate exposure is limited to the \$291.8 million of total debt outstanding at December 31, 2001. Approximately 47% of the debt is priced at interest rates that float with the market. A 50 basis point movement in the interest rate on the floating rate debt would result in an approximate \$686,000 annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt. The Company will from time to time enter into interest rate swaps on its debt when it believes there is a clear financial advantage for doing so. A treasury risk management policy, adopted by the Board of Directors, describes the procedures and controls over derivative financial and commodity instruments, including interest rate swaps. Under the policy, the Company does not use derivative financial or commodity instruments for trading purposes, and the use of these instruments is subject to strict approvals by senior officers. Typically, the use of derivative instruments is limited to interest rate swaps on the Company's outstanding long-term debt. IDEX's exposure related to derivative instruments is, in the aggregate, not material to its financial position, results of operations and cash flows.

The Company's foreign currency exchange rate risk is limited principally to the euro and British pound. IDEX manages its foreign exchange risk principally through invoicing its customers in the same currency as the source of the products.

NET SALES BY GROUP (in millions)

[BAR CHART]

OPERATING INCOME BY GROUP (in millions)

[BAR CHART]

2001 SALES BY REGION

[PIE CHART]

- - 58% UNITED STATES
- - 24% EUROPE
- - 10% ASIA/REST OF WORLD
- - 8% CANADA/LATIN AMERICA

IDEX CORPORATION & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share and per share amounts)

AS OF DECEMBER 31,	2001	2000
Assets		
Current assets		
Cash and cash equivalents	\$ 4,972	\$ 8,415
Receivables - net	93,053	104,950
Inventories	104,111	113,052
Other current assets	12,767	5,672
Total current assets	214,903	232,089
Property, plant and equipment - net	144,146	128,283
Goodwill - net	454,560	373,669
Intangible assets - net	12,776	14,494
Other noncurrent assets	12,419	10,319
Total assets	\$ 838,804	\$ 758,854
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt	\$ --	\$ 88,077
Trade accounts payable	41,260	43,342
Dividends payable	4,303	4,236
Accrued expenses	41,775	42,156
Total current liabilities	87,338	177,811
Long-term debt	291,820	153,809
Other noncurrent liabilities	58,534	52,732
Total liabilities	437,692	384,352
Shareholders' equity		
Common stock, par value \$.01 per share		
Shares issued and outstanding:		
2001 - 30,763,193; 2000 - 30,264,731	308	303
Additional paid-in capital	124,658	115,280
Retained earnings	295,489	279,907
Minimum pension liability adjustment	(1,783)	(2,127)
Accumulated translation adjustment	(10,226)	(10,489)
Unrealized losses on derivatives	(140)	--
Treasury stock, at cost - 29,215 and 6,500 shares	(865)	(144)
Unearned compensation on restricted stock	(6,329)	(8,228)
Total shareholders' equity	401,112	374,502
Total liabilities and shareholders' equity	\$ 838,804	\$ 758,854

Commitments and contingencies (Note 12)

See Notes to Consolidated Financial Statements.

IDEX CORPORATION & SUBSIDIARIES

STATEMENTS OF CONSOLIDATED OPERATIONS

(in thousands except per share amounts)

FOR THE YEARS ENDED DECEMBER 31,	2001	2000	1999
Net sales	\$726,947	\$704,276	\$655,041
Cost of sales	463,225	426,324	398,557
Gross profit	263,722	277,952	256,484
Selling, general and administrative expenses	164,893	149,639	140,495
Goodwill amortization	14,165	11,797	11,312
Restructuring charge	11,226	--	--
Operating income	73,438	116,516	104,677
Other income - net	731	1,031	568
Income before interest expense and income taxes	74,169	117,547	105,245
Interest expense	20,738	16,521	18,020
Income before income taxes	53,431	101,026	87,225
Provision for income taxes	20,721	37,581	32,797
Net income	\$ 32,710	\$ 63,445	\$ 54,428
Earnings Per Common Share			
Basic earnings per common share	\$ 1.08	\$ 2.13	\$ 1.84
Diluted earnings per common share	\$ 1.05	\$ 2.07	\$ 1.81
Share Data			
Weighted average common shares outstanding	30,222	29,726	29,544
Weighted average common shares outstanding assuming full dilution	31,047	30,632	30,085

See Notes to Consolidated Financial Statements.

INDEX CORPORATION & SUBSIDIARIES
 STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY
 (in thousands except share and per share amounts)

	COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	MINIMUM PENSION LIABILITY ADJUSTMENT	ACCUMULATED TRANSLATION ADJUSTMENT	UNREALIZED GAINS (LOSSES) ON DERIVATIVES
Balance, December 31, 1998	\$ 96,359	\$ 195,465	\$ (1,489)	\$ (4,298)	\$ --
Net income		54,428			
Other comprehensive income, net of tax					
Unrealized translation adjustment				1,755	
Minimum pension adjustment			(270)		
Other comprehensive income			(270)	1,755	
Comprehensive income		54,428	(270)	1,755	
Issuance of 173,660 shares of common stock from exercise of stock options, and deferred compensation plans	3,739				
Purchase of common stock					
Cash dividends declared - \$.56 per common share outstanding		(16,567)			
Balance, December 31, 1999	100,098	233,326	(1,759)	(2,543)	--
Net income		63,445			
Other comprehensive income, net of tax					
Unrealized translation adjustment				(7,946)	
Minimum pension adjustment			(368)		
Other comprehensive income			(368)	(7,946)	
Comprehensive income		63,445	(368)	(7,946)	
Issuance of 274,655 shares of common stock from exercise of stock options, and deferred compensation plans	5,991				
Issuance of 350,000 shares of restricted common stock	9,494				
Amortization of restricted common stock award					
Purchase of common stock					
Cash dividends declared - \$.56 per common share outstanding		(16,864)			
Balance, December 31, 2000	115,583	279,907	(2,127)	(10,489)	--
Net income		32,710			
Other comprehensive income, net of tax					
Unrealized translation adjustment				263	
Cumulative effect of change in accounting principle, net of tax					204
Unrealized derivative losses					(344)
Minimum pension adjustment			344		
Other comprehensive income			344	263	(140)
Comprehensive income		32,710	344	263	(140)
Issuance of 498,462 shares of common stock from exercise of stock options, and deferred compensation plans	9,383				
Amortization of restricted common stock award					
Restricted shares surrendered for tax withholdings					
Cash dividends declared - \$.56 per common share outstanding		(17,128)			
Balance, December 31, 2001	\$ 124,966	\$ 295,489	\$ (1,783)	\$ (10,226)	\$ (140)

	TREASURY STOCK	UNEARNED COMPENSATION ON RESTRICTED STOCK	TOTAL SHAREHOLDERS' EQUITY
Balance, December 31, 1998	\$ --	\$ --	\$ 286,037
Net income			54,428

Other comprehensive income, net of tax			
Unrealized translation adjustment			1,755
Minimum pension adjustment			(270)
Other comprehensive income			1,485
Comprehensive income			55,913
Issuance of 173,660 shares of common stock from exercise of stock options, and deferred compensation plans			3,739
Purchase of common stock	(98)		(98)
Cash dividends declared - \$.56 per common share outstanding			(16,567)
Balance, December 31, 1999	(98)	--	329,024
Net income			63,445
Other comprehensive income, net of tax			
Unrealized translation adjustment			(7,946)
Minimum pension adjustment			(368)
Other comprehensive income			(8,314)
Comprehensive income			55,131
Issuance of 274,655 shares of common stock from exercise of stock options, and deferred compensation plans			5,991
Issuance of 350,000 shares of restricted common stock		(9,494)	--
Amortization of restricted common stock award		1,266	1,266
Purchase of common stock	(46)		(46)
Cash dividends declared - \$.56 per common share outstanding			(16,864)
Balance, December 31, 2000	(144)	(8,228)	374,502
Net income			32,710
Other comprehensive income, net of tax			
Unrealized translation adjustment			263
Cumulative effect of change in accounting principle, net of tax			204
Unrealized derivative losses			(344)
Minimum pension adjustment			344
Other comprehensive income			467
Comprehensive income			33,177
Issuance of 498,462 shares of common stock from exercise of stock options, and deferred compensation plans			9,383
Amortization of restricted common stock award		1,899	1,899
Restricted shares surrendered for tax withholdings	(721)		(721)
Cash dividends declared - \$.56 per common share outstanding			(17,128)
Balance, December 31, 2001	\$ (865)	\$ (6,329)	\$ 401,112

See Notes to Consolidated Financial Statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
(in thousands)

FOR THE YEARS ENDED DECEMBER 31,	2001	2000	1999
Cash flows from operating activities			
Net income	\$ 32,710	\$ 63,445	\$ 54,428
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	26,354	21,873	21,619
Amortization of goodwill and other intangible assets	15,680	13,341	12,845
Amortization of unearned compensation on restricted stock	1,899	1,266	--
Amortization of debt issuance expenses	364	224	371
Increase in accrued restructuring expenses	5,479	--	--
Deferred income taxes	(152)	1,081	3,742
Decrease (increase) in receivables	24,008	(109)	(867)
Decrease (increase) in inventories	22,232	(2,410)	4,797
Decrease in trade accounts payable	(7,207)	(1,600)	(3,057)
(Decrease) increase in accrued expenses	(9,835)	(1,970)	3,363
Other - net	(4,232)	(2,413)	(1,085)
Net cash flows from operating activities	107,300	92,728	96,156
Cash flows from investing activities			
Additions to property, plant and equipment	(21,639)	(20,739)	(18,338)
Acquisition of businesses (net of cash acquired)	(132,295)	(34,513)	(48,497)
Net cash flows from investing activities	(153,934)	(55,252)	(66,835)
Cash flows from financing activities			
Borrowings under credit facilities for acquisitions	132,295	34,513	48,497
Net repayments under credit facilities	(77,858)	(48,186)	(55,718)
Repayments of other long-term debt	(3,470)	(4,151)	(7,455)
Increase (decrease) in accrued interest	284	(167)	(772)
Dividends paid	(17,061)	(16,781)	(16,539)
Proceeds from stock option exercises	9,001	2,862	2,938
Purchase of common stock	--	(46)	(98)
Net cash flows from financing activities	43,191	(31,956)	(29,147)
Net (decrease) increase in cash	(3,443)	5,520	174
Cash and cash equivalents at beginning of year	8,415	2,895	2,721
Cash and cash equivalents at end of year	\$ 4,972	\$ 8,415	\$ 2,895
Supplemental cash flow information			
Cash paid for:			
Interest	\$ 20,818	\$ 16,912	\$ 18,420
Income taxes	23,482	35,534	25,297
Significant non-cash activities			
Debt acquired with acquisition of businesses	2,931	--	13,065

See Notes to Consolidated Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Business

IDEX Corporation ("IDEX" or the "Company") is a manufacturer of a broad range of proprietary pumps, metering products, dispensing equipment, and other engineered products sold to a diverse customer base in a variety of industries in the U.S. and internationally. Its products include industrial pumps, compressors and related controls for use in a wide variety of process applications; precision-engineered equipment for dispensing, metering and mixing paints, refinishing equipment, and centralized lubrication systems; and proprietary engineered products for industrial and commercial markets, including fire and rescue, transportation equipment, oil and gas, electronics, communications, and traffic and commercial signs. These activities are grouped into three business segments: Pump Products, Dispensing Equipment and Other Engineered Products.

Principles of Consolidation

The consolidated financial statements include the Company and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

IDEX recognizes revenue from product sales upon shipment. The Company estimates and records provisions for sales returns, allowances and original warranties in the period the sale is reported, based on its experience. Cash Equivalents The Company considers all highly liquid debt instruments purchased with a maturity of three or fewer months to be cash equivalents.

Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three or fewer months to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost, which includes labor, material and factory overhead, is determined on the first-in, first-out (FIFO) basis or the last-in, first-out (LIFO) basis.

Debt Expenses

Expenses incurred in securing and issuing debt are amortized over the life of the related debt.

Earnings Per Common Share

Earnings per common share (EPS) are computed by dividing net income by the weighted average number of shares of common stock (basic) plus common stock equivalents and unvested restricted shares (diluted) outstanding during the year. Common stock equivalents consist of stock options and have been included in the calculation of weighted average shares outstanding using the treasury stock method.

Basic weighted average shares reconciles to diluted weighted average shares as follows:

	2001	2000	1999
Basic weighted average common shares outstanding	30,222	29,726	29,544
Dilutive effect of stock options and unvested restricted shares	825	906	541
Weighted average common shares outstanding assuming full dilution	31,047	30,632	30,085

Depreciation and Amortization

Depreciation is recorded using the straight-line method. The estimated useful lives used in the computation of depreciation are as follows:

Land improvements	10 to 12 years
Buildings and improvements	3 to 30 years
Machinery and equipment and engineering drawings	3 to 12 years
Office and transportation equipment	3 to 10 years

Identifiable intangible assets are amortized over their estimated useful lives using the straight-line method. Cost in excess of net assets acquired is amortized over a period of 30 to 40 years.

The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation or amortization period or to the unamortized balance is warranted. This evaluation is based on the expected utilization of the long-lived assets and the projected, undiscounted cash flows of the operations in which the long-lived assets are used.

Research and Development Expenditures

Costs associated with research and development are expensed in the year incurred and included in cost of sales. Research and development expenses, which include costs associated with developing new products and major improvements to existing products, were \$7.7 million, \$7.5 million and \$6.8 million in 2001, 2000 and 1999, respectively.

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

New Accounting Pronouncements

On January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Pursuant to this statement, IDEX recognizes its derivative financial instruments in its financial statements at fair value as described in Note 9.

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method

be used for all business combinations initiated after June 30, 2001, and does not permit the pooling-of-interests method for business combinations initiated after that date. IDEX historically accounted for all business combinations using the purchase method and will continue to use this for prospective business combinations, consistent with SFAS No. 141. SFAS No. 142 establishes the accounting and reporting standards for intangible assets and goodwill. It requires that goodwill and certain intangible assets no longer be amortized to earnings, but instead be reviewed periodically for impairment.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective January 1, 2003. It requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which is effective for IDEX starting January 1, 2002. SFAS No. 144 addresses accounting and reporting of the impairment or disposal of long-lived assets, including discontinued operations, and establishes a single accounting model for the sale of long-lived assets.

Adoption of these accounting pronouncements did not have a material effect on the Company's financial position, liquidity, or results of operations as reported through December 31, 2001. Consistent with SFAS No. 142, IDEX discontinued the amortization of goodwill and certain intangible trademark assets, effective January 1, 2002.

2. ACQUISITIONS

The Company completed the acquisitions of Versa-Matic Tool Inc. (June 2001); Liquid Controls L.L.C. (January 2001) and Class 1, Inc. (January 2001) for an aggregate purchase price of \$135 million, including debt acquired, with financing provided by borrowings under the Credit Agreement. Versa-Matic, headquartered in Export, Pennsylvania, is a leading manufacturer and distributor of air-operated double-diaphragm pumps and pump replacement parts. Liquid Controls, headquartered in Lake Bluff, Illinois, is a leading manufacturer of positive displacement flow meters, electronic registration and process control systems. Class 1, headquartered in Ocala, Florida, is a leading manufacturer of electronic and mechanical components and systems for the specialty vehicle market. Versa-Matic and Liquid Controls are operated as part of the Pump Products Group, and Class 1 is operated as part of the Other Engineered Products Group.

The Company acquired Ismatec SA (April 2000) and Trebor International, Inc. (May 2000), at a total cost of approximately \$35 million with borrowings under the U.S. Credit Facility. Ismatec, headquartered near Zurich, Switzerland, is a leading European manufacturer of peristaltic metering pumps, analytical process controllers and sample preparation systems. These products typically are used for scientific research and development in the pharmaceutical, medical, biotech and institutional laboratory markets. Trebor, headquartered near Salt Lake City, Utah, is a leading designer and manufacturer of high purity fluid handling products, including air-operated diaphragm pumps and deionizing water-heating systems. Trebor's products are incorporated into wet chemical processing and chemical delivery and blending systems. Ismatec and Trebor are being operated as part of the Pump Products Group.

In June 1999, IDEX acquired FAST S.p.A. at a cost of \$61.6 million, with financing provided by borrowings under the U.S. Credit Facility and debt acquired. FAST, headquartered near Milan, Italy, is a leading European manufacturer of refinishing and color-formulation equipment for a number of applications, including paints, coatings, inks, colorants and dyes. FAST is being operated as part of the Dispensing Equipment Group.

All acquisitions were accounted for as purchases, and operating results include the acquisitions from the dates of purchase. Cost in excess of net assets acquired was amortized on a straight-line basis over a period not exceeding 40 years.

3. RESTRUCTURING CHARGE

As a result of the declining business environment, IDEX took aggressive actions in the first and fourth quarters of 2001 to downsize operations to lower its cost structure. These steps were necessary to appropriately size the Company's businesses, lower costs and improve efficiencies. The charge included, among other things, employee severance, fringe benefits, outplacement fees, and the consolidation of two plants into one at both Gast Manufacturing and Hale Products.

The restructuring costs are separately identified in the statements of consolidated operations and resulted in a pretax charge to operations of \$11,226 (\$7,072 after taxes, or \$.23 per share). Excluding the charge, fully diluted earnings per share would have been \$1.28 for the year ended December 31, 2001. The annualized savings from these actions will exceed the total charge recorded. At December 31, 2001, the amount remaining in accrued expenses for the restructuring program was \$5,479. It is expected that the restructuring accrual will be utilized during 2002.

4. COMMON AND PREFERRED STOCK

During 2000, the Company issued 350,000 shares of restricted stock as compensation to a key employee. These shares carry dividend and voting rights.

Sale of these shares is restricted prior to the date of vesting, occurring annually from one to five years after the grant date. The restricted shares were recorded at their fair market value on the date of the grant, with a corresponding charge to shareholders' equity. The unearned portion is being amortized as compensation expense on a straight-line basis over the related vesting period.

On October 20, 1998, IDEX's Board of Directors authorized the repurchase of up to 1.5 million shares of its common stock, either at market prices or on a negotiated basis as market conditions warrant. At December 31, 2001, IDEX had purchased a total of 6,500 shares under the program at a cost of approximately \$144.

At December 31, 2001 and 2000, the Company had 75 million shares of authorized common stock with par value of \$.01 per share and 5 million shares of preferred stock with a par value of \$.01 per share authorized but unissued.

5. STOCK OPTIONS

The Company has stock option plans for outside directors, executives and certain key employees. These options are accounted for using the intrinsic value method and, accordingly, no compensation cost has been recognized. Had compensation cost been determined using the fair value method, the Company's pro forma net income and EPS would have been as follows:

	2001	2000	1999
Net income			
As reported	\$ 32,710	\$ 63,445	\$ 54,428
Pro forma	28,904	59,991	51,675
Basic EPS			
As reported	1.08	2.13	1.84
Pro forma	.96	2.02	1.75
Diluted EPS			
As reported	1.05	2.07	1.81
Pro forma	.93	1.96	1.72

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions for 2001, 2000 and 1999, respectively: dividend yield of 1.98%, 2.02% and 2.29%; volatility of 34.2%, 34.3% and 32.5%; risk-free interest rates of 4.9%, 6.4% and 5.2%; and expected lives of 5.5 years.

The Compensation Committee of the Board of Directors administers the plans and approves stock option grants. The Company may grant additional options for up to 1.3 million shares. Stock options granted under the plans are exercisable at a price equal to the market value of the stock on the date of grant. The options become exercisable from one to five years from the date of grant, and generally expire 10 years from the date of grant.

The following table summarizes option activity under the plans:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE OPTION PRICE PER SHARE
Outstanding at December 31, 1998	2,395,108	22.89
Granted	647,039	24.79
Exercised	(170,715)	16.75
Forfeited	(107,010)	28.83
Outstanding at December 31, 1999	2,764,422	23.54
Granted	835,500	27.71
Exercised	(269,753)	16.26
Forfeited	(76,710)	28.42
Outstanding at December 31, 2000	3,253,459	25.10
Granted	796,650	28.33
Exercised	(886,367)	21.09
Forfeited	(169,900)	29.08
Outstanding at December 31, 2001	2,993,842	26.92
Exercisable at December 31, 1999	1,485,426	19.98
Exercisable at December 31, 2000	1,706,976	22.56
Exercisable at December 31, 2001	1,256,382	25.27

The following table summarizes information about options outstanding at December 31, 2001:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE		
	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING LIFE OF CONTRACT	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
\$ 7 to 20	347,297	2.4 years	\$ 16.43	347,297	\$ 16.43
21 to 27	1,132,475	7.0 years	25.79	534,063	25.50

28 to 35	1,514,070	7.9 years	30.18	375,022	33.13
Total	2,993,842	6.9 years	26.92	1,256,382	25.27

6. COMPREHENSIVE INCOME

The tax effects of the components of other comprehensive income for 2001, 2000 and 1999 were:

	2001	2000	1999
Minimum pension adjustment:			
Pretax amount	\$ 640	\$ (585)	\$ (570)
Income (tax) benefit	(296)	217	300
Aftertax amount	\$ 344	\$ (368)	\$ (270)
Unrealized translation adjustment:			
Pretax amount	\$ 263	\$(7,946)	\$ 1,755
Income tax	--	--	--
Aftertax amount	\$ 263	\$(7,946)	\$ 1,755
Unrealized gains (losses) on derivatives:			
Cumulative effect of change in accounting	\$ 329	\$ --	\$ --
Unrealized losses on derivatives	(555)	--	--
Pretax amount	(226)	--	--
Tax benefit	86	--	--
Aftertax amount	\$ (140)	\$ --	\$ --

7. BALANCE SHEET COMPONENTS

The components of inventories at December 31, 2001 and 2000 were:

	2001	2000
Raw materials	\$ 38,813	\$ 33,844
Work in process	11,797	13,852
Finished goods	53,501	65,356
Total	\$ 104,111	\$ 113,052

Those inventories, which were carried on a LIFO basis, amounted to \$87,661 and \$91,532 at December 31, 2001 and 2000, respectively. The excess of current cost over LIFO inventory value and the impact of using the LIFO method on earnings are not material.

The components of certain other balance sheet accounts at December 31, 2001 and 2000 were:

	2001	2000
=====		
Receivables		
Customers	\$ 93,944	\$103,952
Other	2,484	4,340

Total	96,428	108,292
Less allowance for doubtful accounts	3,375	3,342

Receivables - net	\$ 93,053	\$104,950
=====		
Property, plant and equipment, at cost		
Land and improvements	\$ 11,726	\$ 8,374
Buildings and improvements	70,735	63,795
Machinery and equipment	174,848	161,074
Office and transportation equipment	58,944	44,024
Engineering drawings	3,890	3,940
Construction in progress	3,000	5,046

Total	323,143	286,253
Less accumulated depreciation and amortization	178,997	157,970

Property, plant and equipment - net	\$144,146	\$128,283
=====		
Goodwill		
Cost in excess of net assets acquired	\$533,935	\$435,408
Less accumulated amortization	79,375	61,739

Goodwill - net	\$454,560	\$373,669
=====		
Intangible assets		
Cost (at fair market value on acquisition date)	\$ 20,459	\$ 28,187
Less accumulated amortization	7,683	13,693

Intangible assets - net	\$ 12,776	\$ 14,494
=====		
Accrued expenses		
Payroll and related items	\$ 21,670	\$ 23,800
Restructuring	5,479	--
Insurance	3,880	3,729
Taxes	1,017	5,969
Other	9,719	8,658

Total	\$ 41,775	\$ 42,156
=====		
Other noncurrent liabilities		
Pension and retiree medical reserves	\$ 30,031	\$ 28,618
Deferred income taxes	23,532	18,726
Other	4,971	5,388

Total	\$ 58,534	\$ 52,732
=====		

8. DEBT

Debt at December 31, 2001 and 2000 consisted of the following:

	2001	2000
=====		
Short-term debt:		
Bank credit facilities, including accrued interest	\$ --	\$ 88,077

Long-term debt:		
Bank credit facilities, including accrued interest	137,787	--
6.875% Senior Notes	150,000	150,000
Other long-term debt	4,033	3,809

Total long-term debt	291,820	153,809

Total debt	\$291,820	\$241,886
=====		

The Company has a \$300 million domestic multi-currency bank revolving credit facility (Credit Agreement), which expires June 8, 2006. At December 31, 2001, approximately \$187.7 million of the facility was unused.

Interest on the outstanding borrowings under the Credit Agreement is payable quarterly at a rate based on the bank agent's reference rate or, at the Company's election, at a rate based on LIBOR plus 80 basis points per annum. A utilization fee is added to the interest rate. The weighted average interest rate on borrowings outstanding under the Credit Agreement was 4.52% at December 31, 2001. A facility fee equal to 20 basis points per annum is payable quarterly on the entire amount available under the Credit Agreement.

The Company and certain of its subsidiaries entered into an agreement in December 2001 (Receivables Facility) with a financial institution under which the Company collateralized certain of its receivables for borrowings. The Receivables Facility provides for borrowings of up to \$50 million depending upon the level of eligible receivables. At December 31, 2001, \$25 million was borrowed and included in the "bank credit facilities" amount above at an interest rate of approximately 3.4% per annum.

The Company has a \$20 million demand line of credit (Short-Term Facility), which expires December 1, 2002. Borrowings under the Short-Term Facility are at the bank's reference rate, or based on LIBOR plus 80 basis points per annum. At December 31, 2001, there were no borrowings under the Short-Term Facility.

Since the original U.S. Credit Facility was due to expire in 2001, the borrowings thereunder, along with accrued interest, were classified as short-term debt at December 31, 2000.

Total debt outstanding at December 31, 2001 and 2000 included accrued interest of \$4.5 million and \$4.2 million, respectively.

In February 1998, the Company sold \$150 million of Senior Notes due February 15, 2008, with a coupon interest rate of 6.875% and an effective rate of 6.919% to maturity. Interest is payable semiannually. The Senior Notes are redeemable at any time at the option of the Company in whole or in part. At December 31, 2001, the fair market value of the Senior Notes was approximately \$141 million, based on the quoted market price.

At December 31, 2001, "other long-term debt" included debt acquired in connection with its recent acquisitions. Interest is payable on the outstanding balances at rates ranging from 2.8% to 8.3% per annum.

IDEX Corporation & Subsidiaries
 NOTES TO CONSOLIDATED Financial Statements
 (in thousands except share and per share amounts)

The Credit Agreement and the Indenture for the Senior Notes permit the payment of cash dividends only to the extent that no default exists under these agreements, and limit the amount of cash dividends in accordance with specified formulas. At December 31, 2001, under the most restrictive of these provisions, the Company had approximately \$59.8 million available for the payment of cash dividends in 2002.

At December 31, 2001, the Company had borrowings of \$59.3 million in western European currencies under its Credit Agreement. These borrowings provide an economic hedge against the net investment in the four operations located in Europe.

9. DERIVATIVE INSTRUMENTS

SFAS No. 133 requires that derivative financial instruments be recognized in the financial statements at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity as a component of comprehensive income, depending on whether the derivative is being used to hedge changes in fair value or cash flows. The adoption of SFAS No. 133 initially increased comprehensive income by \$204 in the accompanying statements of consolidated shareholders' equity.

At December 31, 2001, the Company had two interest rate swaps, expiring in March 2002, which effectively converted \$52.3 million of floating rate debt into fixed rate debt at interest rates approximating 5.6%. The fair market value of these interest rate swaps was a net expense of \$140 at December 31, 2001, as reported in other comprehensive income.

Fair values relating to derivative financial instruments reflect the estimated amounts that the Company would receive or pay to terminate the contracts at the reporting date based on quoted market prices of comparable contracts as of December 31, 2001. The net gain or loss on these interest rate swap contracts was not material.

10. BUSINESS SEGMENTS AND
 GEOGRAPHIC INFORMATION

IDEX's operations have been aggregated (primarily on the basis of products, production processes, distribution methods and management organizations) into three reportable segments: Pump Products Group, Dispensing Equipment Group and Other Engineered Products Group. The Pump Products Group designs, produces and distributes a wide range of engineered industrial pumps, flow meters, compressors and related controls for process applications. The Dispensing Equipment Group designs, manufactures and markets precision-engineered equipment for dispensing, metering and mixing paints; refinishing equipment; and centralized lubrication systems. The Other Engineered Products Group designs, produces and distributes proprietary engineered equipment for industrial and commercial markets, including fire and rescue, transportation equipment, oil and gas, electronics, communications, and traffic and commercial signs. No single customer accounted for more than 2% of net sales in 2001.

Information on IDEX's business segments is presented below, based on the nature of products and services offered. IDEX evaluates performance based on several factors, of which operating income is the primary financial measure. The accounting policies of the business segments are described in Note 1. Intersegment sales are accounted for at fair value as if the sales were to third parties.

	2001	2000	1999
Net sales			
Pump Products			
External customers	\$ 424,727	\$ 392,109	\$ 369,568
Intersegment sales	2,310	2,890	2,872
Total group sales	427,037	394,999	372,440
Dispensing Equipment			
External customers	137,406	166,360	140,989
Intersegment sales	1	2	7
Total group sales	137,407	166,362	140,996
Other Engineered Products			
External customers	164,814	145,807	144,484
Intersegment sales	1	16	2
Total group sales	164,815	145,823	144,486
Intersegment elimination	(2,312)	(2,908)	(2,881)
Total net sales	\$ 726,947	\$ 704,276	\$ 655,041

Operating income(1)			
Pump Products	\$ 61,758	\$ 73,557	\$ 65,673
Dispensing Equipment	13,957	32,496	25,614
Other Engineered Products	25,032	27,437	26,660
Restructuring charge	(11,226)	--	--
Corporate office and other	(16,083)	(16,974)	(13,270)

Total operating income	\$ 73,438	\$ 116,516	\$ 104,677
=====			
Assets			
Pump Products	\$ 462,275	\$ 391,831	\$ 355,983
Dispensing Equipment	180,361	204,891	216,273
Other Engineered Products	181,032	148,753	154,490
Corporate office and other	15,136	13,379	11,821

Total assets	\$ 838,804	\$ 758,854	\$ 738,567
=====			
Depreciation and amortization(2)			
Pump Products	\$ 24,124	\$ 19,658	\$ 19,327
Dispensing Equipment	9,719	8,845	8,124
Other Engineered Products	7,920	6,474	6,769
Corporate office and other	2,170	1,503	244

Total depreciation and amortization	\$ 43,933	\$ 36,480	\$ 34,464
=====			
Capital expenditures			
Pump Products	\$ 10,251	\$ 10,656	\$ 8,616
Dispensing Equipment	5,129	5,175	5,896
Other Engineered Products	5,987	4,796	3,739
Corporate office and other	272	112	87

Total capital expenditures	\$ 21,639	\$ 20,739	\$ 18,338
=====			

(1) Represents business segment operating income after noncash amortization of intangible assets. The restructuring charge of \$11,226 was not assigned to the individual group segments. Had the Company allocated the restructuring charge, it would have been assigned to the groups as follows: Pump Products (\$7,769), Dispensing Equipment (\$1,894), and Other Engineered Products (\$1,563).

(2) Includes amortization relating to all business combinations accounted for by the purchase method, but excludes amortization of debt issuance expenses.

Information about the Company's operations in different geographical regions for the years ended December 31, 2001, 2000 and 1999 is shown below. Net sales were attributed to geographic areas based on location of the customer, and no country outside the U.S. was greater than 10% of total revenues.

	2001	2000	1999
Net sales			
U.S.	\$ 422,084	\$ 416,557	\$ 399,286
Europe	173,747	173,870	154,907
Other countries	131,116	113,849	100,848
Total net sales	\$ 726,947	\$ 704,276	\$ 655,041
Long-lived assets			
U.S.	\$ 489,734	\$ 394,547	\$ 384,389
Europe	130,280	128,233	135,942
Other countries	3,887	3,985	4,521
Total long-lived assets	\$ 623,901	\$ 526,765	\$ 524,852

11. INCOME TAXES

Pretax income for the years ended December 31, 2001, 2000 and 1999 was taxed under the following jurisdictions:

	2001	2000	1999
Domestic	\$ 29,882	\$ 67,170	\$ 59,042
Foreign	23,549	33,856	28,183
Total	\$ 53,431	\$101,026	\$ 87,225

The provision for income taxes for the years ended December 31, 2001, 2000 and 1999 was as follows:

	2001	2000	1999
Current			
U.S.	\$ 12,775	\$ 23,906	\$ 17,329
State and local	1,178	2,099	2,334
Foreign	6,920	10,495	9,392
Total current	20,873	36,500	29,055
Deferred			
U.S.	(1,747)	(286)	2,983
State and local	(150)	--	321
Foreign	1,745	1,367	438
Total deferred	(152)	1,081	3,742
Total provision for income taxes	\$ 20,721	\$ 37,581	\$ 32,797

Deferred (prepaid) income taxes resulted from the following:

	2001	2000	1999
Employee and retiree benefit plans	\$ (903)	\$(1,829)	\$ (349)
Depreciation and amortization	4,364	4,005	1,578
Inventories	(2,263)	184	1,260
Allowances and accruals	(1,808)	(707)	624
Other	458	(572)	629
Total deferred	\$ (152)	\$ 1,081	\$ 3,742

Deferred tax assets (liabilities) related to the following at December 31, 2001 and 2000:

	2001	2000
Employee and retiree benefit plans	\$ 8,950	\$ 8,498
Depreciation and amortization	(34,030)	(29,425)
Inventories	(4,719)	(6,386)
Allowances and accruals	6,868	4,990
Other	1,920	2,230
Total	\$(21,011)	\$(20,093)

The balance sheet at December 31, 2001, included a current deferred tax asset of \$2,521 in "other current assets" and a noncurrent deferred tax liability of \$23,532 in "other noncurrent liabilities." The balance sheet at December 31, 2000, included a current deferred tax liability of \$1,367 in "accrued expenses" and a noncurrent deferred tax liability of \$18,726 in "other noncurrent liabilities."

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to pretax income. The computed amount and the differences for the years ended December 31, 2001, 2000 and 1999 were as follows:

	2001	2000	1999
Pretax income	\$ 53,431	\$ 101,026	\$ 87,225
Provision for income taxes:			
Computed amount at statutory rate of 35%	\$ 18,701	\$ 35,359	\$ 30,529
State and local income tax (net of federal tax benefit)	668	1,364	1,726
Amortization of cost in excess of net assets acquired	2,197	1,825	1,643
Foreign sales corporation	(858)	(910)	(1,074)
Other	13	(57)	(27)
Total provision for income taxes	\$ 20,721	\$ 37,581	\$ 32,797

No provision has been made for U.S. or additional foreign taxes on \$49,343 of undistributed earnings of foreign subsidiaries, which are permanently reinvested. It is not practical to estimate the amount of additional tax that might be payable if these earnings were repatriated. However, the Company believes that U.S. foreign tax credits would, for the most part, eliminate any additional U.S. tax and offset any additional foreign tax.

12. COMMITMENTS AND CONTINGENCIES

At December 31, 2001, total minimum rental payments under noncancelable operating leases, primarily for office facilities, warehouses and data processing equipment, were \$27.9 million. The minimum rental commitments for each of the next five years are as follows: 2002 - \$5.3 million; 2003 - \$4.2 million; 2004 - \$3.4 million; 2005 - \$2.8 million; 2006 - \$2.4 million; thereafter - \$9.8 million.

Rental expense totaled \$8.5 million, \$8.5 million and \$9.0 million for the years ended December 31, 2001, 2000 and 1999, respectively.

The Company is involved in certain litigation arising in the ordinary course of business. None of these matters is expected to have a material adverse affect on the Company's financial position, liquidity, or results of operations. However, the ultimate resolution of these matters could result in a change in the Company's estimate of its liability for these matters.

13. RETIREMENT BENEFITS

The Company sponsors several qualified and nonqualified pension plans and other postretirement plans for its employees. The following table provides a reconciliation of the changes in the benefit obligations and fair value of plan assets over the two-year period ended December 31, 2001, and a statement of the funded status at December 31 for both years:

	PENSION BENEFITS		OTHER BENEFITS	
	2001	2000	2001	2000
Change in benefit obligation				
Obligation at January 1	\$ 54,271	\$ 55,104	\$ 14,942	\$ 11,646
Service cost	3,160	3,168	317	349
Interest cost	3,991	3,853	1,155	867
Plan amendments	141	-	-	-
Benefits paid	(5,634)	(5,377)	(665)	(730)
Other	2,985	(2,477)	(1,578)	2,810
Obligation at December 31	\$ 58,914	\$ 54,271	\$ 14,171	\$ 14,942
Change in plan assets				
Fair value of plan assets at January 1	\$ 47,272	\$ 51,990	\$ -	\$ -
Actual return on plan assets	(914)	(1,998)	-	-
Employer contributions	3,825	3,087	665	730
Benefits paid	(5,634)	(5,377)	(665)	(730)
Other	(147)	(430)	-	-
Fair value of plan assets at December 31	\$ 44,402	\$ 47,272	\$ -	\$ -
Funded status				
Funded status at December 31	\$(14,512)	\$ (6,999)	\$(14,171)	\$(14,942)
Unrecognized loss (gain)	10,833	2,881	1,032	2,693
Unrecognized transition obligation	356	386	-	-
Unrecognized prior service cost	2,739	2,950	(595)	(651)
Net amount recognized at December 31	\$ (584)	\$ (782)	\$(13,734)	\$(12,900)

The following table provides the amounts recognized in the consolidated balance sheets at December 31 for both years:

Prepaid benefit cost	\$ 5,123	\$ 4,397	\$ -	\$ -
Accrued benefit liability	(10,014)	(10,362)	(13,734)	(12,900)
Intangible asset	1,502	1,738	-	-
Accumulated other comprehensive income	2,805	3,445	-	-
Net amount recognized at December 31	\$ (584)	\$ (782)	\$(13,734)	\$(12,900)

The Company's nonqualified retirement plans and the retirement plan at a German subsidiary are not funded. The accumulated benefit obligation for these plans was \$9,072 and \$9,711 at December 31, 2001 and 2000, respectively. The Company's plans for postretirement benefits other than pensions also have no plan assets. The accumulated benefit obligation for these plans was \$14,171 and \$14,942 at December 31, 2001 and 2000, respectively.

The assumptions used in the measurement of the Company's benefit obligation at December 31, 2001 and 2000 were as follows:

	U.S. PLANS		NON-U.S. PLANS	
	2001	2000	2001	2000
Weighted-average assumptions				
Discount rate	7.50%	8.00%	6.00%	6.00%
Expected return on plan assets	9.00%	9.00%	7.50%	7.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.50%

The discount rate assumption for benefits other than pension benefit plans was 7.50% and 8.00% at December 31, 2001 and 2000, respectively.

The following table provides the components of net periodic benefit cost for the plans in 2001, 2000 and 1999:

	PENSION BENEFITS			OTHER BENEFITS		
	2001	2000	1999	2001	2000	1999
Service cost	\$ 3,160	\$ 3,168	\$ 3,017	\$ 317	\$ 349	\$ 395
Interest cost	3,991	3,853	3,707	1,155	867	752
Expected return on plan assets	(4,248)	(4,655)	(4,219)	--	--	--
Net amortization	475	445	282	28	(148)	(91)
Net periodic benefit cost	\$ 3,378	\$ 2,811	\$ 2,787	\$ 1,500	\$ 1,068	\$ 1,056

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market value of assets are amortized over the average remaining service period of active participants.

Contributions to bargaining unit-sponsored multiemployer plan and defined contribution plans were \$6,292, \$6,122 and \$6,166 for 2001, 2000 and 1999, respectively.

For measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2001. The rate was assumed to decrease gradually each year to a rate of 6% for 2008, and remain at that level thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	1% INCREASE	1% DECREASE
Effect on the service and interest cost components of the net periodic benefit cost	\$ 142	\$ (121)
Effect on the health care component of the accumulated postretirement benefit obligation	\$ 1,352	\$ (1,174)

14. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 2001 and 2000:

	2001 QUARTERS				2000 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH	FIRST	SECOND	THIRD	FOURTH
Net sales	\$187,395	\$192,622	\$178,137	\$168,793	\$176,662	\$185,258	\$176,218	\$166,138
Gross profit	68,777	70,708	64,657	59,580	70,555	72,931	70,177	64,289
Operating income	16,836	26,241	18,784	11,577	29,963	31,756	30,578	24,219
Net income	7,229	12,993	8,184	4,304	15,813	17,532	16,565	13,535
Basic EPS	\$.24	\$.43	\$.27	\$.14	\$.53	\$.58	\$.56	\$.45
Weighted average shares outstanding	29,997	30,137	30,331	30,424	29,663	29,989	29,740	29,803
Diluted EPS	\$.23	\$.42	\$.26	\$.14	\$.52	\$.57	\$.54	\$.44
Weighted average shares outstanding	30,987	31,073	31,225	31,177	30,188	30,808	30,899	30,875

During the first and fourth quarters of 2001, IDEX took aggressive actions to downsize its operations to reflect lower levels of activity. As a result, the Company recorded restructuring charges totaling \$5,661 and \$5,565 in the first and fourth quarters of 2001, respectively. Excluding the restructuring charge, fully diluted earnings per share would have been \$0.35 and \$0.25 in the first and fourth quarters of 2001, respectively.

REPORTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of IDEX Corporation

We have audited the accompanying consolidated balance sheets of IDEX Corporation and its subsidiaries as of December 31, 2001 and 2000 and the related statements of consolidated operations, consolidated shareholders' equity, and consolidated cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries at December 31, 2001 and 2000 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Chicago, Illinois

January 15, 2002

MANAGEMENT REPORT

IDEX Corporation's management is responsible for the fair presentation and consistency of all financial data included in this Annual Report in accordance with accounting principles generally accepted in the United States of America. Where necessary, the data reflect management's best estimates and judgments.

Management also is responsible for maintaining a system of internal control with the objectives of providing reasonable assurance that IDEX's assets are safeguarded against material loss from unauthorized use or disposition, and that authorized transactions are properly recorded to permit the preparation of accurate financial data. Cost benefit judgments are an important consideration in this regard. The effectiveness of internal control is maintained by personnel selection and training, division of responsibilities, establishment and communication of policies, and ongoing internal review programs and audits. Management believes that IDEX's system of internal control as of December 31, 2001, is effective and adequate to accomplish the above described objectives.

/s/ Dennis K. Williams

Dennis K. Williams

Chairman of the Board, President and Chief Executive Officer

/s/ Wayne P. Sayatovic

Wayne P. Sayatovic

Senior Vice President - Finance and Chief Financial Officer

Northbrook, Illinois
January 15, 2002

Business UNITS

BAND-IT-IDEX, INC.
4799 Dahlia St.
Denver, CO 80216
(303) 320-4555

Robert J. Johnson
President
Age: 49
Years of Service: 14

FAST S.r.l.
Via Pelizza da Volpedo, 109
20092 Cinisello Balsamo, Italy
011-39-02-66091-432

A. Reza Arabnia
President
Age: 46
Years of Service: 14

FLUID MANAGEMENT, INC.
1023 S. Wheeling Rd.
Wheeling, IL 60090
(847) 537-0880

ROBERT K. BRINLEY
President - Americas
Age: 46
Years of Service: 11

FLUID MANAGEMENT EUROPE B.V.
Hub van Doorneweg 31
2171 KZ Sassenheim
The Netherlands
011-31-252-230604

JAN POST
Managing Director - Europe/Australia
Age: 46
Years of Service: 9

GAST MANUFACTURING, INC.
2300 Highway M-139
Benton Harbor, MI 49023
(616) 926-6171

IVY B. SUTER
President
Age: 48
Years of Service: 1

HALE PRODUCTS, INC.
700 Spring Mill Ave.
Conshohocken, PA 19428
(610) 825-6300

WILLIAM D. KYSOR
President
Age: 54
Years of Service: 5

HALE FIRE SUPPRESSION
607 N.W. 27th Avenue
Ocala, FL 34475
(352) 629-5020

RONALD L. EWERS
President
Age: 60
Years of Service: 10

HALE RESCUE TOOLS
Weinstrabe 39, D-91058
Erlangen, Germany
011-49-9131-6980

UWE KIRSCHNER
President
Age: 39
Years of Service: 14

LIQUID CONTROLS, INC.
105 Albrecht Drive
Lake Bluff, IL 60044
(847) 295-1050

FREDERICK G. WACKER III
President
Age: 41
Years of Service: 20

LUBRIQUIP, INC.
18901 Cranwood Pkwy.
Warrensville Heights, OH 44128
(216) 581-2000

STEVEN E. SEMMLER
President
Age: 46
Years of Service: 22

MICROPUMP, INC.
1402 N.E. 136th Ave.
Vancouver, WA 98684
(360) 253-2008

JEFFREY L. HOHMAN
President
Age: 48
Years of Service: 11

TREBOR INTERNATIONAL, INC.
8100 South 1300 West
West Jordan, UT 84088
(801) 561-0303

GREGORY R. ORR
President
Age: 40
Years of Service: 6

ISMATEC S.A.
Feldeggstrasse 6
CH-8152 Glattbrugg-Zurich
Switzerland
011-41-1874-9494

BERNDT GOLDMANN
Managing Director
Age: 46
Years of Service: 1

PULSAFEEDER, INC.
2883 Brighton-Henrietta Town Line Rd.
Rochester, NY 14623
(716) 292-8000

ANDREW W. MOLODETZ
President
Age: 45
Years of Service: 7

KNIGHT, INC.
20531 Crescent Bay Drive
Lake Forest, CA 92630
(949) 595-4800

PAUL M. BELDHAM
President
Age: 46
Years of Service: 16

VIKING PUMP, INC.
406 State St.
Cedar Falls, IA 50613
(319) 266-1741

STEVEN C. FAIRBANKS
President
Age: 42
Years of Service: 6

WARREN RUPP, INC.
800 North Main St.
Mansfield, OH 44902
(419) 524-8388

THOMAS E. AKEHURST
President
Age: 48
Years of Service: 7

NOTE: Years of service include periods prior to acquisition by IDEX.

CORPORATE OFFICERS
& DIRECTORS

CORPORATE OFFICERS

DENNIS K. WILLIAMS
Chairman of the Board,
President and Chief Executive Officer
Age: 55
Years of Service: 2

WAYNE P. SAYATOVIC
Senior Vice President - Finance
and Chief Financial Officer
Age: 55
Years of Service: 29

JERRY N. DERCK
Vice President - Human Resources
Age: 54
Years of Service: 9

JAMES R. FLUHARTY
Vice President - Group Executive
Age: 58
Years of Service: 11

CLINTON L. KOOMAN
Vice President - Controller
Age: 58
Years of Service: 37

DOUGLAS C. LENNOX
Vice President - Treasurer
Age: 49
Years of Service: 22

JOHN L. MCMURRAY
Vice President - Operational Excellence
Age: 51
Years of Service: 9

DENNIS L. METCALF
Vice President - Corporate Development
Age: 54
Years of Service: 28

FRANK J. NOTARO
Vice President - General Counsel
and Secretary
Age: 38
Years of Service: 4

RODNEY L. USHER
Vice President - Group Executive
Age: 56
Years of Service: 21

DAVID T. WINDMULLER
Vice President - Group Executive
Age: 44
Years of Service: 21

NOTE: Years of service for corporate officers
include periods with predecessor to IDEX.

DIRECTORS

DENNIS K. WILLIAMS (1)
Chairman of the Board,
President and Chief Executive Officer
IDEX Corporation
Northbrook, Illinois
Age: 55
Years of Service: 2

BRADLEY J. BELL (2)
Senior Vice President and Chief Financial Officer
Rohm and Haas Company
Philadelphia, Pennsylvania
Age: 49
Years of Service: 1

RICHARD E. HEATH
Partner
Hodgson Russ LLP
Buffalo, New York
Age: 71
Years of Service: 13

HENRY R. KRAVIS
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 57
Years of Service: 14

WILLIAM H. LUERS (2)(3)
Chairman, Chief Executive Officer and
President
United Nations Association of the
United States of America
New York, New York
Age: 72
Years of Service: 13

PAUL E. RAETHER
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 55
Years of Service: 14

GEORGE R. ROBERTS
Member
Kohlberg Kravis Roberts & Co., L.L.C.
San Francisco, California
Age: 58
Years of Service: 14

NEIL A. SPRINGER (1)(2)(3)
Managing Director
Springer Souder & Assoc. L.L.C.
Chicago, Illinois
Age: 63
Years of Service: 12

MICHAEL T. TOKARZ (1)
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 52
Years of Service: 14

Member of:

- (1) Executive Committee
- (2) Audit Committee
- (3) Compensation Committee

SHAREHOLDER
INFORMATION

CORPORATE EXECUTIVE OFFICE

IDEX Corporation
630 Dundee Road
Northbrook, Illinois 60062
(847) 498-7070

INVESTOR INFORMATION

Shareholders and prospective investors are welcome to call or write with questions or requests for additional information. Please direct inquiries to: Wayne P. Sayatovic, Senior Vice President - Finance and Chief Financial Officer. Further information on IDEX can be found at www.idexcorp.com.

REGISTRAR AND TRANSFER AGENT

Inquiries about stock transfers, address changes or IDEX's dividend reinvestment program should be directed to:

National City Bank
Shareholder Services
3rd Floor North
4100 W. 150th Street
Cleveland, Ohio 44135
(800) 622-6757

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Two Prudential Plaza
180 North Stetson Avenue
Chicago, Illinois 60601

DIVIDEND POLICY

IDEX paid a quarterly dividend on its common stock on January 31, 2002, of \$0.14 per share, which is unchanged from last year's quarterly dividend rate. The declaration of future dividends, subject to certain limitations, is within the discretion of the Board of Directors and will depend upon, among other things, business conditions, earnings, and IDEX's financial condition. See Note 8 of the Notes to Consolidated Financial Statements.

STOCK MARKET INFORMATION

IDEX common stock was held by an estimated 5,500 shareholders at December 31, 2001, and is traded on the New York Stock Exchange and the Chicago Stock Exchange under the ticker symbol IEX.

PUBLIC FILINGS

Shareholders may obtain a copy of any Form 10-K and Form 10-Q filed with the Securities and Exchange Commission by directing a request to IDEX or through its Website at www.idexcorp.com.

Effective with the March 2002 quarter end, IDEX will discontinue publishing the quarterly shareholder report. Shareholders can access any IDEX news release through its Website.

ANNUAL MEETING

The Annual Meeting of IDEX Shareholders will be held on Tuesday, March 26, 2002, at 10:00 a.m. at the following location:

LaSalle Room
Bank of America
231 South LaSalle Street
Chicago, Illinois 60697

STOCK HISTORY

Quarterly Closing Prices

[LINE GRAPH]

QUARTERLY STOCK PRICE

	FIRST	SECOND	THIRD	FOURTH
2001 High	33.81	34.00	37.20	35.73

	Low	27.00	27.47	24.90	26.95
	Close	28.98	34.00	27.65	34.50
2000	High	31.38	34.75	33.81	36.00
	Low	22.75	26.56	25.13	26.38
	Close	27.25	31.56	27.94	33.13

IDEX CORPORATION
 SUBSIDIARIES OF IDEX CORPORATION
 10K EXHIBIT 21
 2001

SUBSIDIARY	JURISDICTION OF INCORPORATION
BAND-IT-IDEX, INC. BAND-IT COMPANY LTD. BAND-IT CLAMPS (ASIA) PTE., LTD. BAND-IT R.S.A. (PTY) LTD. (51% OWNED)	DELAWARE UNITED KINGDOM SINGAPORE SOUTH AFRICA
CORKEN, INC.	DELAWARE
IDEX FINANCE, INC. IDEX HOLDINGS, INC. FAST LLC FAST SRL FAST IBERICA S.A. FAST U.K. LTD.	DELAWARE DELAWARE DELAWARE ITALY SPAIN UNITED KINGDOM
FLUID MANAGEMENT, INC. FM INVESTMENT, INC. FM DELAWARE, INC. FLUID MANAGEMENT OPERATIONS LLC FLUID MANAGEMENT EUROPE B.V. FLUID MANAGEMENT U.K., LTD. FLUID MANAGEMENT FRANCE SARL FLUID MANAGEMENT ESPANA SLU FLUID MANAGEMENT EASTERN EUROPE SP. Z O.O. FLUID MANAGEMENT GMBH FLUID MANAGEMENT AUSTRALIA PTY., LTD. FLUID MANAGEMENT CANADA, INC. FLUID MANAGEMENT SERVICOS E VENDAS LTD.	DELAWARE DELAWARE DELAWARE DELAWARE NETHERLANDS UNITED KINGDOM FRANCE SPAIN POLAND GERMANY AUSTRALIA CANADA BRAZIL
GAST MANUFACTURING, INC. GAST ASIA, INC. GAST MANUFACTURING COMPANY LTD.	MICHIGAN MICHIGAN UNITED KINGDOM
HALE PRODUCTS, INC. HALE PRODUCTS EUROPE GMBH GODIVA PRODUCTS LTD. GODIVA LIMITED HALE PRODUCTS EUROPE LIMITED GINSWAT LTD. (35% OWNED) HALE PRODUCTS BET. GMBH LUKAS HYDRAULIK VER. GMBH LUKAS HYDRAULIK GMBH & CO. KG CLASS 1	PENNSYLVANIA GERMANY UNITED KINGDOM UNITED KINGDOM UNITED KINGDOM HONG KONG GERMANY GERMANY GERMANY DELAWARE
LIQUID CONTROLS, INC. LIQUID CONTROLS LLC LIQUID CONTROLS (INDIA) PVT. LTD JV ITALIA LLC (80%) S.A.M.P.I. SRL. LIQUID CONTROLS ITALIANA S.R.L. (50%) HEMINA S.P.A. (30%)	DELAWARE ILLINOIS INDIA ILLINOIS ITALY ITALY ITALY
LUBRIQUIP, INC.	DELAWARE
MICROPUMP, INC. MICROPUMP LIMITED ISMATEC SA ISMATEC GMBH TREBOR INTERNATIONAL, INC.	DELAWARE UNITED KINGDOM SWITZERLAND GERMANY UTAH
PULSAFEEDER, INC. PULSAFEEDER EUROPE B.V. IDEX ASIA PACIFIC PTE. LTD. KNIGHT, INC. KNIGHT INTERNATIONAL B.V. KNIGHT EQUIPMENT INTERNATIONAL B.V. KNIGHT U.K. LTD. KNIGHT EQUIPMENT AUSTRALIA PTY., LTD. KNIGHT EQUIPMENT (CANADA) LTD. KNIGHT SOUTH EUROPE L.S.	DELAWARE NETHERLANDS SINGAPORE DELAWARE NETHERLANDS NETHERLANDS UNITED KINGDOM AUSTRALIA CANADA SPAIN
SIGNFIX HOLDINGS LIMITED SIGNFIX LIMITED TESPA GMBH	UNITED KINGDOM UNITED KINGDOM GERMANY
VIKING PUMP, INC. VIKING PUMP (EUROPE) LTD. JOHNSON PUMP (UK) LTD. VIKING PUMP OF CANADA, INC. VIKING PUMP LATIN AMERICA S.A. DE C.V.	DELAWARE IRELAND UNITED KINGDOM ONTARIO MEXICO

WARREN RUPP, INC.
WARREN RUPP (EUROPE) LTD.
BLAGDON PUMP HOLDINGS, LTD.
VERSA-MATIC AB
DOMINATOR PUMP AB
VERSA-MATIC TOOL, INC.
PUMPER PARTS LLC
VERSA-MATIC ASIA SDN BHD (50%)

IDEX FOREIGN SALES CORP.
IDEX INDIA PRIVATE LTD
IDEX RECEIVABLE CORPORATION

DELAWARE
UNITED KINGDOM
UNITED KINGDOM
SWEDEN
SWEDEN
OHIO
DELAWARE
MALAYSIA

BARBADOS
INDIA
DELAWARE

[DELOITTE & TOUCHE LOGO]

INDEPENDENT AUDITORS' CONSENT

IDEX Corporation:

We consent to the incorporation by reference in the Registration Statement of IDEX Corporation on Form S-3 (File Number 333-41627) and in the Registration Statements of IDEX Corporation on Form S-8 (File Numbers 33-47678, 33-56586, 33-67688 and 333-18643) of our reports, dated January 15, 2002, appearing in and incorporated by reference in this Annual Report on Form 10-K of IDEX Corporation for the year ended December 31, 2001.

Deloitte & Touche LLP

Chicago, Illinois

March 4, 2002