

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarter ended March 31, 1996

OR

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

For the transition period from _____ to _____
Commission file number 1-10235

IDEX Corporation
(Exact name of registrant as specified in its charter)

Delaware

36-3555336

State or other jurisdiction of
incorporation or organization

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

630 Dundee Road
Northbrook, Illinois

60062

(Address of principal
executive offices)

(Zip Code)

Registrant's telephone number, including area code (847) 498-7070

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

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

Number of shares of common stock of IDEX Corporation ("IDEX" or the "Company")
outstanding as of April 29, 1996: 19,181,604 shares.

Documents Incorporated by Reference: None.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

IDEX CORPORATION AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (in thousands, except share and per share amounts)

	March 31, 1996	December 31, 1995
	----- (unaudited)	-----
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 7,656	\$ 5,937
Receivables - net.....	72,616	70,338
Inventories.....	99,494	101,052
Deferred taxes.....	6,854	7,045
Other current assets.....	1,934	1,527
	-----	-----
Total current assets.....	188,554	185,899
Property, plant and equipment - net.....	90,192	91,278
Intangible assets - net.....	182,116	184,217
Other noncurrent assets.....	4,894	4,728
	-----	-----
Total assets.....	\$465,756 =====	\$466,122 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable.....	\$ 33,303	\$ 36,846
Dividends payable.....	3,064	3,061
Accrued expenses.....	42,529	42,901
	-----	-----
Total current liabilities.....	78,896	82,808
Long-term debt.....	201,107	206,184
Other noncurrent liabilities.....	25,023	26,185
	-----	-----
Total liabilities.....	305,026	315,177
	-----	-----
Shareholders' equity		
Common stock, par value \$.01 per share;		
Shares authorized:		
1996: 75,000,000		
1995: 50,000,000		
Shares issued and outstanding:		
1996: 19,148,043		
1995: 19,130,284.....	191	191
Additional paid-in capital.....	86,497	86,118
Retained earnings.....	76,879	67,729
Accumulated translation adjustment.....	(2,837)	(3,093)
	-----	-----
Total shareholders' equity.....	160,730	150,945
	-----	-----
Total liabilities and shareholders' equity.....	\$465,756 =====	\$466,122 =====

 See Notes to Consolidated Financial Statements

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

For the Three Months Ended March 31,	1996	1995
	----	----
	(unaudited)	
Net sales.....	\$133,886	\$116,580
Cost of sales.....	82,222	71,507
	-----	-----
Gross profit.....	51,664	45,073
Selling, general and administrative.....	27,016	23,639
Goodwill amortization.....	1,232	960
	-----	-----
Income from operations.....	23,416	20,474
Other income - net.....	43	9
	-----	-----
Income before interest expense and income taxes.....	23,459	20,483
Interest expense.....	4,225	3,666
	-----	-----
Income before income taxes.....	19,234	16,817
Provision for income taxes.....	7,020	6,055
	-----	-----
Net income.....	\$12,214	\$10,762
	=====	=====
Earnings per common share.....	\$.62	\$.55
	=====	=====
Weighted average common shares outstanding.....	19,817	19,624
	=====	=====

 See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY
(in thousands, except per share amounts)

	Common Stock & Paid-In Capital -----	Retained Earnings -----	Accumulated Translation Adjustment -----	Total Shareholders Equity -----
Balance:				
December 31, 1995.....	\$86,309	\$67,729	\$(3,093)	\$150,945
Stock options exercised.....	379			379
Unrealized translation adjustment			256	256
Cash dividends on common stock (\$.16 per share)..		(3,064)		(3,064)
Net income.....	-----	12,214	-----	12,214
		-----		-----
Balance:				
March 31, 1996..... (unaudited)	\$86,688 =====	\$76,879 =====	\$(2,837) =====	\$160,720 =====

See Notes to Consolidated Financial Statements.

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

For the Three Months Ended March 31,	1996 -----	1995 -----
	(unaudited)	
Cash Flows From Operating Activities:		
Net income.....	\$ 12,214	\$ 10,762
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation.....	3,486	2,859
Amortization of intangibles.....	1,704	1,199
Amortization of debt issuance expenses.....	150	156
Deferred income taxes.....	399	285
Increase in receivables.....	(2,278)	(2,147)
(Increase) decrease in inventories.....	1,558	(5,713)
Increase (decrease) in trade accounts payable.....	(3,543)	1,854
Increase (decrease) in accrued expenses.....	(372)	3,379
Other transactions - net.....	(772)	(808)
	-----	-----
Net cash flows from operating activities.....	12,546	11,826
	-----	-----
Cash Flows From Investing Activities:		
Additions to property, plant and equipment....	(2,689)	(2,257)
	-----	-----
Net cash flows from investing activities.....	(2,689)	(2,257)
	-----	-----
Cash Flows From Financing Activities:		
Dividends paid.....	(3,061)	(2,671)
Net repayments of long-term debt.....	(3,268)	(5,500)
Decrease in accrued interest.....	(1,809)	(1,945)
	-----	-----
Net cash flows from financing activities.....	(8,138)	(10,116)
	-----	-----
Net increase (decrease) in cash.....	1,719	(547)
Cash and cash equivalents at beginning of period	5,937	6,288
	-----	-----
Cash and cash equivalents at end of period.....	\$ 7,656	\$ 5,741
	=====	=====

Supplemental Disclosure of Cash Flow Information

Cash paid during the period for:		
Interest.....	\$5,479	\$5,393
Taxes (including foreign).....	2,859	946

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Acquisition

Pursuant to the requirements of the Securities and Exchange Commission, the January 22, 1988 Acquisition of the initial six businesses comprising IDEX Corporation ("IDEX" or the "Company") was not accounted for as a purchase transaction. Consequently, the accounting for the acquisition does not reflect any adjustment of the carrying value of the assets and liabilities to their fair values at the time of the acquisition. Accordingly, the total shareholders' equity of IDEX at March 31, 1996 and December 31, 1995 includes a charge of \$96.5 million which represents the excess of the purchase price over the book value of the subsidiaries purchased at the date of the acquisition.

2.(a) Significant Accounting Policies

In the opinion of management, the unaudited information presented as of March 31, 1996 and for the three months ended March 31, 1996 and 1995 reflects all adjustments necessary, which consist only of normal recurring adjustments, for a fair presentation of the interim periods.

(b) Earnings Per Share

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

3. Inventories

The components of inventories as of March 31, 1996 and December 31, 1995 were (000's omitted):

	March 31, 1996 -----	December 31, 1995 -----
Inventories		
Raw materials and supplies	\$ 12,492	\$ 13,978
Work in process	14,611	15,434
Finished goods	72,391	71,640
	-----	-----
Totals	\$ 99,494 =====	\$101,052 =====

Those inventories which were carried on a LIFO basis amounted to \$57,684 and \$57,409 at March 31, 1996 and December 31, 1995, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

4. Common and Preferred Stock

The Company had five million shares of preferred stock authorized but unissued at March 31, 1996 and December 31, 1995.

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

Historical Overview and Outlook

IDEX sells a broad range of proprietary fluid handling and industrial products to a diverse customer base in the U.S. and, to an increasing extent, 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 dollar to other currencies. Among the factors that affect the demand for IDEX's products are interest rates, levels of capital spending in certain industries, and overall industrial growth.

IDEX has a history of strong operating margins. The Company's operating margins are affected by, among other things, utilization of facilities as sales volumes change, and inclusion of newly acquired businesses which may have lower margins that could be further affected by purchase accounting adjustments.

IDEX's orders, sales, net income and earnings per share in the first quarter of 1996 were the highest of any first quarter in its history. Business conditions showed moderate growth during that period. Incoming orders in the 1996 first quarter increased 6% over the same quarter of 1995, which was IDEX's previous record quarter. Sales in the first quarter of 1996 increased 15% over the same quarter of last year, as sales in the core businesses improved 4% and the inclusion of Micropump (May 1995) and Lukas (October 1995) added 11% to the volume increase. Shipments in the quarter kept pace with the incoming orders, so backlogs were unchanged and remain at IDEX's normal operating level of about 1-1/2 months' sales. This low level of backlog allows IDEX to provide excellent customer service, but also means that changes in orders are felt quickly in operating results.

IDEX continues to expect record sales and earnings in 1996. As expected, the rate of growth, particularly in the U.S., has slowed somewhat, but IDEX's business activity continues at a high level. With modest economic growth expected during the next few quarters and barring unforeseen circumstances, IDEX should experience higher earnings in 1996 than in 1995. International expansion, new products, cost controls, integration of acquisitions, and use of the Company's strong cash flow to cut debt and interest expense are among the factors that should contribute to earnings growth.

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

For the Three Months Ended March 31,	1996 ----	1995 ----
	(unaudited)	
Fluid Handling Group (1)		
Net sales.....	\$ 96,617	\$ 81,527
Income from operations.....	19,793	16,907
Operating margin.....	20.5%	20.7%
Depreciation and amortization	\$ 4,303	\$ 3,202
Capital expenditures.....	1,330	1,341
Industrial Products Group (1)		
Net sales.....	\$ 37,328	\$ 35,160
Income from operations.....	5,880	5,890
Operating margin.....	15.8%	16.8%
Depreciation and amortization	\$ 851	\$ 841
Capital expenditures.....	1,340	895
Company		
Net sales.....	\$133,886	\$116,580
Income from operations.....	23,416	20,474
Operating margin.....	17.5%	17.6%
Depreciation and amortization (2).....	\$ 5,190	\$ 4,058
Capital expenditures.....	2,689	2,257

(1) Group income from operations excludes net unallocated corporate operating expenses.

(2) Excludes amortization of debt issuance expenses.

Results of Operations

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

Performance in the Three Months Ended March 31, 1996 Compared to 1995

Net sales for the three months ended March 31, 1996 were \$133.9 million an increase of 15% over the \$116.6 million recorded in the first quarter of 1995.

Fluid Handling Group sales of \$96.6 million increased \$15.1 million, or 19%, due to the inclusion of the recently acquired Micropump and Lukas operations and improving international business conditions. Sales outside the U.S. increased to 38% of total Fluid Handling Group sales in the first quarter of 1996 from 31% in the comparable 1995 period due to the inclusion of Lukas, based in Germany, the U.K.-based operations of Micropump, and stronger worldwide demand for products of the Group's core businesses.

First quarter 1996 sales in the Industrial Products Group of \$37.3 million increased \$2.2 million, or 6%, over the same quarter of last year due to higher customer demand for banding and clamping devices and sign mounting systems. Shipments outside the U.S. were 37% of total sales in the Industrial Products Group in the first quarter of 1996, up from 36% in the comparable 1995 period.

Income from operations increased \$2.9 million or 14% to \$23.4 million in the three months ended March 31, 1996 from \$20.5 million in 1995's first quarter. Operating margin at 17.5% of sales in the 1996 period was virtually unchanged from 17.6% in 1995. In the Fluid Handling Group, income from operations of \$19.8 million and operating margin of 20.5% in the first three months of 1996 compare to the \$16.9 million and 20.7% recorded in 1995. The slight operating margin decline resulted from the inclusion of recent acquisitions whose operating margins, as expected, were somewhat lower than the other units in the Group and whose profits were further affected by purchase accounting adjustments. Income from operations in the Industrial Products Group of \$5.9 million in the three-month 1996 period was unchanged from 1995. Operating margin of 15.8% in the 1996 first quarter decreased from the 16.8% achieved in 1995 due primarily to softness in the heavy-duty truck market and manufacturing inefficiencies associated with new product introduction.

Interest expense increased to \$4.2 million in the first quarter of 1996 from \$3.7 million in the 1995 period because of additional borrowings under the Credit Agreements for the acquisitions of Micropump and Lukas.

The provision for income taxes increased to \$7.0 million in the three months ended March 31, 1996 from \$6.1 million in the comparable 1995 period. The effective tax rate increased to 36.5% in 1996 from 36.0% in 1995.

Net income of \$12.2 million in the first quarter of 1996 was 13% higher than net income of \$10.8 million in same period of 1995. Earnings per share amounted to \$.62 in 1996's first quarter, which was 13% higher than the \$.55 recorded in the first quarter of 1995.

Liquidity and Capital Resources

At March 31, 1996, IDEX's working capital was \$109.7 million and its current ratio was 2.4 to 1. Internally generated funds were adequate to fund capital expenditures of \$2.7 million and \$2.3 million, and dividends on common stock of \$3.1 million and \$2.7 million, for the three months ended March 31, 1996 and 1995, respectively. The capital expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term. During the three months ended March 31, 1996 and 1995, depreciation and amortization expense, excluding amortization of debt issuance expenses, was \$5.2 million and \$4.1 million, respectively.

At March 31, 1996, the maximum amount available under the U.S. Credit Agreement was \$150 million, of which \$93 million was being used. The availability under the U.S. Credit Agreement declines in stages commencing December 31, 1996 to \$115 million on December 31, 1997. Any amount outstanding at June 30, 1999 becomes due at that date. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate, or at LIBOR plus 75 basis points. The maximum amount available at March 31, 1996 under the Company's German Credit Agreement was DM 52.5 million (\$35.6 million), of which DM 46.7 million (\$31.7 million) was being used. The availability under the Company's German Credit Agreement declines in stages from DM 52.5 million to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001 becomes due at that date. Interest is payable quarterly on the outstanding balance at LIBOR plus 100 basis points.

IDEX believes it will generate sufficient cash flow from operations to meet its operating requirements, interest and scheduled amortization payments under both the U.S. Credit Agreement and the German Credit Agreement, interest and principal payments on the Senior Subordinated Notes, approximately \$16 million of planned capital expenditures and \$12 million of annual dividend payments to holders of common stock in 1996. From commencement of operations in January 1988 until March 31, 1996, IDEX has borrowed \$277 million under the credit agreements to complete nine acquisitions. During this same period, IDEX generated, principally from operations, cash flow of \$242 million to reduce its indebtedness. In the event that suitable businesses or assets are available for acquisition by IDEX upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

Part II. Other Information

- Item 1. Legal Proceedings. None.
- Item 2. Changes in Securities. Not Applicable.
- Item 3. Defaults upon Senior Securities. None.
- Item 4. Submission of Matters to a Vote of Security Holders.

The Company held its Annual Shareholders' Meeting on Tuesday, March 26, 1996. At the Annual Meeting, shareholders elected three directors to serve three-year terms on the Board of Directors of IDEX Corporation. The following persons received a majority of the votes cast for Class I Directors specifically as stated:

Director -----	For -----	Withheld -----
Donald N. Boyce	17,686,019	55,177
Richard E. Heath	16,478,569	1,262,627
Henry R. Kravis	16,392,068	1,349,128

Additionally, shareholders voted on the following matters:

- 1) An amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized Common Shares from 50,000,000 to 75,000,000 shares received the votes of a majority of the common shares outstanding, specifically as stated:

Affirmative Votes	17,387,229
Negative Votes	311,050
Abstentions	42,917
Broker Nonvotes	0

- 2) Adoption of the 1996 Stock Plan for Officers of IDEX Corporation received a majority of the votes cast, specifically as stated:

Affirmative Votes	14,501,747
Negative Votes	2,004,146
Abstentions	21,200
Broker Nonvotes	1,214,103

- 3) A proposal to appoint Deloitte & Touche LLP as Auditors of IDEX Corporation received a majority of the votes cast, specifically as stated:

Affirmative Votes	17,697,103
Negative Votes	38,155
Abstentions	5,938
Broker Nonvotes	0

- 4) Approval of the Amended and Restated IDEX Corporation Directors Deferred Compensation Plan received a majority of the votes cast, specifically as stated:

Affirmative Votes	16,274,710

Negative Votes	181,574

Abstentions	70,794

Broker Nonvotes	1,214,118

Item 5. Other Information.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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

(b) Reports on Form 8-K

There have been no reports on Form 8-K filed during the quarter for which this report is filed.

SIGNATURES

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

IDEX CORPORATION

May 3, 1996

/s/Wayne P. Sayatovic

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

EXHIBIT INDEX

Exhibit Number - - - - -	Description - - - - -	Page - - - - -
3.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
*3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (formerly HI, Inc.), as amended.	
3.2	Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on February 12, 1990).	
4.1	Restated Certificate of Incorporation and By-Laws of IDEX (filed as Exhibits 3.1 through 3.2(a)).	
4.2	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and The Connecticut National Bank, as Trustee, relating to the 9-3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
4.2(a)	First Supplemental Indenture dated as of December 22, 1995 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut (formerly known as Shawmut Bank Connecticut, N.A., which was formerly known as The Connecticut National Bank), a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).	
4.3	Specimen Senior Subordinated Note of IDEX (including specimen Guarantee)(incorporated by reference to Exhibit No. 4.3 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
4.4	Specimen Certificate of Common Stock (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
10.1	Second Amended and Restated Credit Agreement dated as of January 29, 1993 among IDEX, various banks named therein and Continental Bank N.A., as Agent (incorporated by reference to Exhibit No. 10.1 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	

Exhibit Number	Description	Page
10.1(a)	First Amendment dated as of May 23, 1994, to Second Amended and Restated Credit Agreement dated as of January 29, 1993, by and among IDEX, various banks named therein and Continental Bank N.A., as Agent (incorporated by reference to Exhibit No. 10.18 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1994, Commission File No. 1-10235).	
10.1(b)	Second Amendment dated as of October 24, 1994, to Second Amended and Restated Credit Agreement dated as of January 29, 1993, by and among IDEX, as borrower and Bank of America Illinois (formerly known as Continental Bank N.A.), as a Bank and as agent, and the other banks signatory thereto (incorporated by reference to Exhibit No. 10.1(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
10.1(c)	Third Amendment dated as of February 28, 1995, to Second Amended and Restated Credit Agreement dated as of January 29, 1993, by and among IDEX, as borrower and Bank of America Illinois, as Agent (incorporated by reference to Exhibit No.10.1(c) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1995, Commission File No. 1-10235).	
10.1(d)	Fourth Amendment dated as of November 1, 1995, to Second Amended and Restated Credit Agreement dated as of January 29, 1993, by and among IDEX, as borrower, and Bank of America Illinois, as Agent (incorporated by reference to Exhibit No. 10.1(d) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).	
10.1(e)	Fifth Amendment dated as of December 22, 1995, to Second Amended and Restated Credit Agreement dated as of January 29, 1993, by and among IDEX, as borrower and Bank of America Illinois, as Agent (incorporated by reference to Exhibit No. 10.1(e) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).	
10.2	Pledge Agreement, dated January 22, 1988, between IDEX and the Bank Agent (incorporated by reference to Exhibit No. 10.3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
10.3	Guaranty Agreement, dated January 22, 1988, between each of the Guarantors named therein and the Bank Agent (incorporated by reference to Exhibit No. 10.4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
10.3(a)	Guaranty Agreement, dated May 7, 1991, by CIC Acquisition Corporation in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(a) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).	
10.3(b)	Guaranty Agreement, dated May 4, 1992, by PLF Acquisition Corporation and MCL Acquisition Corporation in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(b) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).	

- 10.3(c) Guaranty Agreement, dated October 24, 1994, executed by Hale Products, Inc. in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(c) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).
- 10.3(d) Guaranty Agreement, dated as of November 1, 1995, executed by Micropump, Inc. in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(d) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).
- 10.3(e) Guaranty Agreement, dated as of December 22, 1995, executed by Dunja Verwaltungsgesellschaft mbH (a German corporation) in favor of the Bank Agent (incorporated by reference to Exhibit No. 10.3(e) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).
- 10.4 Inter-Guarantor Agreement, dated as of January 22, 1988 among the Subsidiaries named therein and the Bank Agent (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).
- 10.4(a) First Amendment to Inter-Guarantor Agreement, dated as of May 7, 1991, among IDEX and the Subsidiaries named therein (incorporated by reference to Exhibit No. 10.6(a) to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-50220, as filed on July 29, 1992).
- 10.4(b) Second Amendment to Inter-Guarantor Agreement, dated as of October 24, 1994, by and among IDEX and the Subsidiaries named therein (incorporated by reference to Exhibit No. 10.4(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).
- 10.4(c) Third Amendment to Inter-Guarantor Agreement, dated as of November 1, 1995, by and among IDEX and the Subsidiaries named therein (incorporated by reference to Exhibit No. 10.4(c) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).
- 10.4(d) Fourth Amendment to Inter-Guarantor Agreement, dated as of December 22, 1995, by and among IDEX and the Subsidiaries named therein (incorporated by reference to Exhibit No. 10.4(d) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1995, Commission File No. 1-10235).
- **10.5 Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).

17 Exhibit Number - - - - -	Description - - - - -	Page - - - - -
**10.5(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.5(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
**10.5(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX and Donald N. Boyce, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.5(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.6	Amended and Restated Employment Agreement between IDEX and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.6(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-10235).	
**10.6(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX and Wayne P. Sayatovic, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.6(b) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.7	Employment Agreement between IDEX and Frank J. Hansen dated as of August 1, 1994 (incorporated by reference to Exhibit No. 10.7 to the Quarterly Report of IDEX on Form 10-Q for quarter ended September 30, 1994, Commission File No. 1-10235).	
**10.7(a)	First Amendment to the Employment Agreement between IDEX and Frank J. Hansen, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.8	Employment Agreement between IDEX and Jerry N. Derck, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.8 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.9	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
*10.9(a)	Amended Management Incentive Compensation Plan	

- **10.10 Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).
- **10.11 Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).
- **10.12 Revised Form of IDEX Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22(a) to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).
- *10.13 Amendment to the IDEX Stock Option Plan for Outside Directors, adopted by resolution of the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the fiscal year ended December 31, 1991, Commission File No. 1-10235).
- **10.14 Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).
- **10.15 Non-Qualified Stock Option Plan for Officers of IDEX (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1992, Commission File No. 1-102351).
- **10.16 IDEX Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1991, Commission File No. 1-102351).
- 10.17 Stock Purchase Agreement, dated as of May 6, 1994 by and among HPI Acquisition Corp., HFP Partners, L.P., the persons listed on Schedule A and Hale Products, Inc. (incorporated by reference to Exhibit No. 10.17 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1994, Commission File No. 1-10235).
- *10.18 1996 Stock Plan for Officers of IDEX.
- *10.19 Amended and Restated IDEX Directors Deferred Compensation Plan.

Exhibit Number -----	Description -----	Page -----
*27	Financial Data Schedule. Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft mbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request).	

*Filed her

CERTIFICATE OF AMENDMENT OF
RESTATED CERTIFICATE OF INCORPORATION
OF IDEX CORPORATION

IDEX Corporation, a corporation organized and existing under
and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

A. That the Board of Directors of IDEX Corporation duly
adopted a resolution proposing and declaring advisable the following amendment
to the Restated Certificate of Incorporation of IDEX Corporation (the "Restated
Certificate of Incorporation"):

The first paragraph of Article IV of the Restated Certificate
of Incorporation is amended in its entirety to read as follows:

The total number of shares of all classes of stock
which the corporation shall have authority to issue is
80,000,000 shares, consisting of 5,000,000 shares of preferred
stock, par value \$.01 per share (the "Preferred Stock") and
75,000,000 shares of common stock, par value \$.01 per share
(the "Common Stock").

B. That the amendment set forth above was duly adopted
in accordance with the provisions of Section 242 of the General Corporation Law
of the State of Delaware.

IN WITNESS WHEREOF, IDEX Corporation has caused this
Certificate to be executed by Donald B. Boyce, its Chairman of the Board,
President and Chief Executive Officer, and attested to by Wayne P. Sayatovic,
its Senior Vice President - Finance, Chief Financial Officer and Secretary,
this 23rd day of January, 1996.

DONALD N. BOYCE
Chairman of the Board,
President & Chief Executive Officer
of IDEX Corporation

ATTEST:

WAYNE P. SAYATOVIC
Senior Vice President - Finance,
Chief Financial Officer & Secretary
of IDEX Corporation

CERTIFICATE OF AMENDMENT OF
RESTATED CERTIFICATE OF INCORPORATION
OF IDEX CORPORATION

IDEX Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

A. That the Board of Directors of IDEX Corporation duly adopted a resolution proposing and declaring advisable the following amendments to the Restated Certificate of Incorporation of IDEX Corporation (the "Restated Certificate of Incorporation").

1. The first paragraph of Article IV of the Restated Certificate of Incorporation is amended in its entirety to read as follows:

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 22,000,000 shares, consisting of 2,000,000 shares of preferred stock, par value \$.01 per share (the "Preferred Stock") and 20,000,000 shares of common stock, par value \$.01 per share (the "Common Stock").

2. Section C of Article IV of the Restated Certificate of Incorporation is amended in its entirety to read as follows:

C. The Common Stock.

1. Rights. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock.

2. Changes and Reclassification of Common Stock. Upon this Restated Certificate of Incorporation becoming effective pursuant to the General Corporation Law of the State of Delaware (the "Effective Time"), and without any further action on the part of the Corporation or its stockholders, each share of Common Stock, \$.01 par value, then issued, shall be automatically changed and reclassified

into seven fully paid and nonassessable shares of Common Stock, \$.01 par value. Any stock certificate that, immediately prior to the Effective Time, represents shares of Common Stock will, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent the number of shares of Common Stock as equals the product obtained by multiplying (a) the number of shares of Common Stock represented by such certificate prior to the Effective Time by (b) seven.

3. The Restated Certificate of Incorporation is amended to add the following Article VIII and Article IX:

ARTICLE VIII

CLASSIFIED BOARD

A. Except as may otherwise be provided pursuant to Article IV hereof with respect to any rights of holders of Preferred Stock to elect additional directors, the board of directors of the Corporation shall consist of a minimum of three (3) and a maximum of twelve (12) directors and the number of directors of the Corporation shall be fixed, within the minimum and maximum, as provided in the bylaws of the Corporation.

B. The directors of the Corporation (other than any directors who may be elected by holders of Preferred Stock as provided for pursuant to Article IV hereof) shall be and are divided into three classes: Class I, Class II and Class III. The number of directors in each class shall be as nearly equal as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders (an "Annual Meeting") following the Annual Meeting at which such director was elected; provided, however, that each initial director in Class I shall serve for a term ending on the date of the Annual Meeting held in 1990, each initial director in Class II shall serve for a term ending on the date of the Annual Meeting held in 1991, and each initial director in Class III shall serve for a term ending on the date of the Annual Meeting held in 1992. Any director who may be elected by holders of Preferred Stock as provided for pursuant to Article IV hereof shall serve for such period as may be provided, pursuant to Article IV hereof.

C. In the event of any increase or decrease in the authorized number of directors:

1. each director then serving shall nevertheless continue as a director of the class of which he is a member until the expiration of his term

or his prior death, retirement, resignation or removal; and

2. except to the extent that an increase or decrease in the authorized number of directors occurs in connection with the rights of holders of Preferred Stock to elect additional directors, the newly created or eliminated directorships resulting from any increase or decrease shall be apportioned by the Board of Directors among the three classes so as to keep the number of directors in each class as nearly equal as possible.

D. Notwithstanding the provisions of Sections B and C of this Article VIII, each director shall serve until his successor is elected and qualified or until his death, retirement, resignation or removal. Except as may otherwise be provided pursuant to Article IV hereof with respect to any rights of holders of Preferred Stock, no director may be removed during his term except for cause.

E. Except as may otherwise be provided pursuant to Article IV hereof with respect to any rights of holders of Preferred Stock to elect additional directors, should a vacancy in the Board of Directors occur or be created (whether arising through death, retirement, resignation or removal or through an increase in the number of authorized directors), such vacancy shall be filled by the affirmative vote of a majority of the remaining directors of the class in which such vacancy occurs, or by the sole remaining director of that class if only one such director remains, or by the affirmative vote of a majority of the remaining directors of the other two classes, if there is no director remaining in the class in which such vacancy occurs. A director so elected to fill a vacancy shall serve for the remainder of the term of the class to which he was elected.

ARTICLE IX

VOTE REQUIRED TO AMEND ARTICLES

The provisions set forth in this Article IX and in Article VIII may not be repealed or amended in any respect, and no provision imposing cumulative voting in the election of directors may be added, unless such action is approved by the affirmative vote of the holders of not less than 80% of the outstanding shares of stock with voting rights (as defined in Article IV.B hereof).

B. That the amendments set forth above were duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, IDEX Corporation has caused this Certificate to be executed by Donald N. Boyce, its President and Chief Executive Officer, and attested to by Wayne P. Sayatovic, its Vice President, Treasurer and Secretary this 10th day of May, 1989.

DONALD N. BOYCE
Chairman of the Board,
President and Chief Executive
Officer of IDEX Corporation

ATTEST:

WAYNE P. SAYATOVIC
Vice President, Treasurer and
Secretary of IDEX Corporation

RESTATED CERTIFICATE OF INCORPORATION
OF
HI, INC.

The undersigned, being the President and Secretary of HI, Inc., a corporation organized and existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: the name of the corporation is HI, Inc., and that the date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was September 24, 1987; and

SECOND: this Restated Certificate of Incorporation and the amendments set forth herein have been duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "General Corporation Law"); and

THIRD: the text of the Certificate of Incorporation is hereby restated and amended to read as herein set forth in full:

ARTICLE I
NAME OF THE CORPORATION

The name of this corporation is IDEX Corporation (hereinafter referred to as the "Corporation" or the "Company").

ARTICLE II
REGISTERED AGENT AND REGISTERED OFFICE

The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE OF THE CORPORATION

The nature of business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

ARTICLE IV
AUTHORIZED CAPITAL STOCK

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 10,000,000 shares, consisting of 2,000,000 shares of preferred stock, par value \$.01 per share (the "Preferred Stock") and 8,000,000 shares of common stock, par value \$.01 per share (the "Common Stock").

The following is a description of each of the classes of stock of the Corporation and a statement of the powers, preferences and rights of such stock, and the qualifications, limitations and restrictions thereof:

A. Authority of the Board of Directors. The Preferred Stock may be issued from time to time, in one or more series, and each series shall be known and designated by such designations as may be stated and expressed in a resolution or resolutions adopted by the Board of Directors of the Corporation and as shall have been set forth in a certificate made, executed, acknowledged, filed and recorded in the manner required by the laws of the State of Delaware in order to make the same effective. Each series shall consist of such number of shares as shall be stated and expressed in such resolution or resolutions providing for the issue of Preferred Stock of such series together with such additional number of shares as the Board of Directors by resolution or resolutions may from time to time determine to issue as a part of such series. All shares of any one series of such Preferred Stock shall be alike in every particular except that shares issued at different times may accumulate dividends from different dates. The Board of Directors shall have the power and authority to state and determine, in the resolution or resolutions providing for the issue of each series of Preferred Stock, the number of shares of each such series authorized to be issued, the voting powers (if any) and the designations, preferences and relative, participating, optional or other rights appertaining to each such series, and the qualifications, limitations or restrictions thereof (including, but not by way of limitation, full power and authority to determine as to the Preferred Stock of each such series, the rate or rates of dividends payable thereon, the times of payment of such dividends, the prices and manner upon which the same may be redeemed, the amount or amounts payable thereon in the event of liquidation, dissolution or winding up of the Corporation, and the right (if any) to convert the same into, and/or to purchase, stock of any other class or series). The Board of Directors may from time to time decrease the number of shares of any series of Preferred Stock (but not below the number thereof then outstanding). The foregoing provisions of this paragraph with respect to the creation or issuance of series of Preferred Stock shall be subject to any additional conditions with respect thereto which may be contained in any resolutions then in effect which shall have theretofore been adopted in accordance with the foregoing provisions of this paragraph with respect to any then outstanding series of Preferred Stock.

B. Voting Rights.

1. Common Stock. The holders of the Common Stock shall be entitled to one vote for each share held of record by such holders.

2. Preferred Stock. The Preferred Stock shall have no voting rights and shall have no rights to receive notice of any meetings except as required by law or expressly provided herein or in the resolution establishing any series thereof.

C. The Common Stock.

1. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock.

D. Terms of Senior Preferred Stock.

1. Designation; Number of Shares. The following is a statement of the designations, powers, preferences and the relative participating, optional or other special rights and the qualifications, limitations or restrictions of a series of Preferred Stock to be designated as "Senior Redeemable Adjustable Rate Exchangeable Preferred Stock" (as used herein and in Sections E and F hereof, the "Senior Preferred Stock"). The number of shares of Senior Preferred Stock authorized for issuance hereby is 700,000. The definitions of terms defined in this Section D are applicable only to this Section D, unless the context otherwise requires.

2. Dividends.

(a) Rate. The holders of the Senior Preferred Stock shall be entitled to receive, when, as and if declared by the Corporation's Board of Directors, out of the funds of the Corporation legally available therefor pursuant to the General Corporation Law (as used herein and in Sections E and F hereof, the "Legally Available Funds"), cumulative dividends, computed in accordance with Section D(2)(b) hereof, on each share of Senior Preferred Stock for each Quarterly Dividend Period (as defined in Section D(2)(f) hereof) equal to the Liquidation Preference (as defined in Section D(5)(a) hereof) of each such share multiplied by a rate per annum (the "Monthly Dividend Rate") (such Monthly Dividend Rate being reset for each Monthly Period (as defined in Section D(2)(f) hereof) that shares of Senior Preferred Stock are outstanding) which Monthly Dividend Rate shall be equal to the sum of (i) (A) with respect to any dividend paid in cash, 650 basis points (6.5%) and (B) with respect to any dividend paid in additional shares of Senior Preferred Stock, 700 basis points (7.0%) and (ii) the highest of (x) the Three Month Treasury Rate or (y) the Ten Year Treasury Rate or (z) the Thirty Year Treasury Rate for such Monthly Period; provided, however, that the Monthly Dividend Rate for the first Monthly Period of the first Quarterly Dividend Period commencing on the day the shares of Senior Preferred Stock are originally issued shall be 16.03%. Dividends shall be payable quarterly on April 15, July 15, October 15 and January 15, in each year (each a "Dividend Payment Date"), commencing April 15, 1988. The effective rate for any Quarterly Dividend Period shall equal the average of the three Monthly Dividend Rates for such Quarterly Dividend Period (the "Quarterly Dividend Rate"); provided, however, that the Quarterly Dividend Rate shall neither exceed 19% nor be less than 14%. Such dividends shall be cumulative from the date of original issue of such shares. Accrued and unpaid dividends on the Senior Preferred Stock shall accrue additional dividends in respect thereof (the "Additional Dividends"), compounded quarterly, at the Quarterly Dividend Rate than applicable to the Senior Preferred Stock. Each such dividend shall be paid to the holders of record of shares of Senior Preferred Stock as they appear on the stock register of the Corporation on such record date

as shall be fixed by the Board of Directors of the Corporation or a duly authorized committee thereof, which date shall be not more than 60 days nor less than 10 days preceding the Dividend Payment Date relating thereto. On or prior to January 15, 1993, all dividends may at the option of the Corporation be paid, in lieu of cash, in additional shares of Senior Preferred Stock (based on the Liquidation Preference thereof) and thereafter all dividends shall be payable only in cash. Upon any declaration of dividends to be paid in cash on or prior to January 15, 1993, the Board of Directors of the Corporation shall give written notice to the holders of record of shares of Senior Preferred Stock on the record date for the quarter in respect of which such dividends are to be paid not less than 10 days preceding the Dividend Payment Date for such quarter. Upon any declaration of dividends, the Board of Directors of the Corporation or a duly authorized committee thereof shall calculate, in accordance with this Section D(2), the Quarterly Dividend Rate (including the Monthly Dividend Rate for each Monthly Period therein) for the Quarterly Dividend Period with respect to which dividends are being paid. The Corporation may issue fractional shares in connection with the declaration and payment of any dividend paid in additional shares of Senior Preferred Stock.

(b) Computation. Dividends (including Additional Dividends) payable on the Senior Preferred Stock shall be computed on the basis of a 360-day year of twelve 30-day months and, if payable for a period that is less than a full Monthly Period, the actual number of days elapsed in the period for which payable.

(c) Taxes - Dividends Received Deduction. The Corporation (i) will not claim as an expense reducing taxable income any dividends paid on the Senior Preferred Stock or any other shares of Preferred Stock in any Federal income tax return, claim for refund or other statement, report or submission made to the Internal Revenue Service (except to the extent that there may be no reasonable basis in law to do otherwise); provided, however, that the foregoing shall not apply to (x) any dividends paid deduction (as defined in Section 561 of the Code or any successor provision) or (y) any other deduction that is not inconsistent with the characterization of such payments as dividends (within the meaning of Section 316(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision) and the holders' entitlement to claim the dividends received deduction, and (ii) will make any election (or take any similar action) which may become necessary to comply with clause (i). At the reasonable request of any holder of shares of Senior Preferred Stock (and at the expense of such holder), the Corporation will join in the submission to the Internal Revenue Service of one request (and will cooperate with respect to the submission of any additional requests) for a ruling that the dividends paid on the Senior Preferred Stock will be eligible for the dividends received deduction under Section 243(a)(1) of the Code, or any successor provision); provided, however, that the foregoing shall not be construed to require the Corporation to join in more than one ruling request with respect to the Senior Preferred Stock. In addition, the Corporation will cooperate with any holder of Senior Preferred Stock (at the expense of such holder) in any litigation, appeal, or other proceeding relating to the eligibility for the dividends received deduction under Section 243(a)(1) of the Code (or any successor provision) of any dividends (within the meaning of Section 316(a) of the Code or any successor provision) paid on the Senior Preferred Stock. To the extent possible, the principles of this paragraph shall also apply with respect to State and local

taxes. Notwithstanding (ii) above, nothing contained herein shall affect or impair the rights and ability of the Corporation to conduct the contest and/or settlement of any issue raised in any United States tax audit according to the reasonable business judgment of the Corporation, as the case may be.

(d) Taxes - Distributions Treated as Dividends. The Corporation will use its best efforts to ensure that distributions made with respect to the Senior Preferred Stock are treated as dividends within the meaning of Section 316(a) of the Code or any successor provision. The Corporation's obligation under this paragraph (d) and paragraph (c) above shall survive the payment or redemption, in whole or in part, or exchange, of the Senior Preferred Stock or the transfer of any shares of Senior Preferred Stock.

(e) Adjustment of Quarterly Dividend Rate. The Quarterly Dividend Rate shall be adjusted in the event that a "shelf" registration statement covering the offering, on a delayed or continuous basis, of the Senior Preferred Stock, is not filed or declared effective under the Securities Act of 1933, as amended (the "ACT"), pursuant to and in accordance with the terms and provisions of the Registration Rights Agreement substantially in the form filed with the Secretary of the Corporation.

(f) Definitions. "Three Month Discount Rate" means, for each monthly period (the "Monthly Period") during which shares of Senior Preferred Stock are outstanding (each Monthly Period to commence on the fifteenth day of every calendar month and end on the fifteenth day of the next succeeding month; the first Monthly Period with respect to which the Quarterly Dividend Rate is to be reset shall commence on February 15, 1988), the arithmetic average (rounded to the nearest basis point) of the weekly average per annum secondary market discount rates for three month United States Treasury obligations for the three calendar weeks ending on the second Business Day next preceding the commencement of each Monthly Period (the "Rate Determination Period") (x) as published by the Federal Reserve Board (i) in its Statistical Release H.15 (519), "Selected Interest Rates," which weekly per annum secondary market discount rates presently are set forth in such Statistical Release under the caption "U.S. Government Securities -- Treasury Bills -- Second Market -- 3 Month" or (ii) if said Statistical Release H.15 (519) is not then published, in any release comparable to Statistical Release H.15 (519) or (y) if the Federal Reserve Board shall not then be publishing a comparable release, as published in any official publication or release of any other United States Government Department or agency. However, if the Three Month Discount Rate cannot be determined as provided above, then the Three Month Discount Rate shall mean the arithmetic average of the average per annum secondary market discount rates, based on the asked prices for each Business Day during the Rate Determination Period of all of the actively traded issues of non-interest bearing United States Treasury obligations with a maturity of not less than 80 nor more than 100 days from such Business Day (1) as published in The Wall Street Journal or (2) if The Wall Street Journal shall cease such publication, based on average asked prices as quoted by each of three United States Government securities dealers of recognized national standing selected by the Corporation.

"Three Month Treasury Rate" means, for each Monthly Period, the result of the following calculation regarding the Three Month Discount Rate for such period, rounded to the nearest basis point:

$$\frac{\text{Three Month Discount Rate (\%)} \times 365}{360 - (91 \times .01 \times \text{Three Month Discount Rate (\%)})}$$

"Ten Year Treasury Rate" and "Thirty Year Treasury Rate" means, with respect to each Monthly Period, the arithmetic average (rounded to the nearest basis point) of the weekly average per annum yield to maturity values adjusted to constant maturities of ten or thirty years, respectively, for the Rate Determination Period as read from the yield curves of the most actively traded marketable United States Treasury fixed interest rate securities (x) constructed daily by the United States Treasury Department (i) as published by the Federal Reserve Board in its Statistical Release H.15 (519), "Selected Interest Rates," which weekly average yield to maturity values presently are set forth in such Statistical Release under the caption "U.S. Government Securities -- Treasury Constant Maturities -- 10 Year" or "U.S. Government Securities -- Treasury Constant Maturities -- 30 Year," respectively, or (ii) if said Statistical Release H.15 (519) is not then published, as published by the Federal Reserve Board in any release comparable to its Statistical Release H.15 (519) or (iii) if the Federal Reserve Board shall not be publishing a comparable release, as published in any official publication or release of any other United States Government Department or agency, or (y) if the United States Treasury Department shall not then be constructing such yield curves, then as constructed by the Federal Reserve Board or any other United States Government department or agency and published as set forth in (x) above. However, if the Ten Year Treasury Rate or the Thirty Year Treasury Rate, as the case may be, cannot be determined as provided above, then the Ten Year Treasury Rate or the Thirty Year Treasury Rate, as the case may be, shall mean the arithmetic average (rounded to the nearest basis point) of the per annum yields to maturity for each Business Day during the Rate Determination Period of all of the issues of actively trading issues of non-interest bearing United States Treasury fixed interest rate securities with a maturity of (A) not less than 117 months nor more than 123 months from such Business Day, if the rate which cannot be otherwise determined is the Ten Year Treasury Rate or (B) not less than 357 months nor more than 363 months from such Business Day if the rate which cannot be otherwise determined is the Thirty Year Treasury Rate, in each such case (1) as published in The Wall Street Journal or (2) if The Wall Street Journal shall cease such publication, based on average asked prices (or yields) as quoted by each of three United States Government securities dealers of recognized national standing selected by the corporation.

"Quarterly Dividend Period" means the period from January 15 through the next April 15, from April 15 through the next July 15, from July 15 through the next October 15, or from October 15 through the next January 15, as the case may be; provided that the first Quarterly Dividend Period shall mean the period commencing the day shares of Senior Preferred Stock are originally issued and ending on April 15, 1988.

"Junior Preferred Stock" means the Series A Junior Redeemable Preferred Stock due 2001 and Series B Junior Redeemable Preferred Stock due 2001 of the Corporation issuable under this Restated Certificate of Incorporation.

"Business Day" means, with respect to the Senior Preferred Stock, any day other than a Saturday, a Sunday or any day on which the New York Stock Exchange is closed.

3. Redemption of Senior Preferred Stock.

(a) Mandatory Redemption. As a mandatory redemption for the retirement of the shares of Senior Preferred Stock, the Corporation shall, subject to any applicable contractual restrictions, redeem, out of Legally Available Funds, on July 15, 2000, if any such shares remain outstanding, all such shares issued, at the redemption price of 100% of the Liquidation Preference (as defined in Section D(5)(a) hereof). Immediately prior to authorizing or making such redemption with respect to the Senior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Senior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the Senior Preferred Stock as of such date and, if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends (including Additional Dividends) accrued at the time of such redemption, any remaining accrued and unpaid dividends (including Additional Dividends) shall be added to the redemption price.

If the Corporation shall fail to discharge its obligation to redeem all of the outstanding shares of Senior Preferred Stock required to be redeemed pursuant to this Section D(3)(a) (the "Senior Mandatory Redemption Obligation"), the Senior Mandatory Redemption Obligation shall be discharged as soon as the Corporation is able to discharge such Senior Mandatory Redemption Obligation.

(b) Optional Redemption. Subject to contractual restrictions of the Corporation to the contrary, the Senior Preferred Stock shall be redeemable, in whole or in part (subject to the last paragraph of this subsection (b)), out of Legally Available Funds, at the option of the Corporation by resolution of its Board of Directors, at the redemption price per share stated below at any time, or from time to time, after issuance, upon giving notice as provided in paragraph (c) below.

If redeemed during the twelve-month period beginning January

15:

Year	Price
----	-----
1988	\$105
1989	\$105
1990	\$105
1991	\$104
1992	\$103

1993	\$102
1994	\$101
1995 and thereafter	\$100

Immediately prior to authorizing or making any such redemption with respect to the Senior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Senior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the Senior Preferred Stock as of such date and if the Corporation does not have sufficient Legally Available Funds as of the date such redemption is authorized to declare and pay all dividends (including Additional Dividends) accrued at the time of such redemption, any remaining accrued and unpaid dividends (including Additional Dividends) shall be added to the redemption price.

Unless the full cumulative dividends (including Additional Dividends) on all outstanding shares of Senior Preferred Stock shall have been paid or contemporaneously are declared and paid for all past dividend periods (or included in the redemption price), the Corporation may not redeem only part of the outstanding shares of Senior Preferred Stock pursuant to the first paragraph of this subsection (b).

(c) Notice of Redemption. At least 30 days but not more than 60 days prior to the date fixed for the redemption of shares of the Senior Preferred Stock pursuant to Section D(3)(a) or D(3)(b) above, a written notice shall be mailed to each holder of record of shares of Senior Preferred Stock to be redeemed in a postage prepaid envelope addressed to such holder at his post office address as shown on the records of the Corporation, notifying such holder of the election of the Corporation to redeem such shares, stating the date fixed for redemption thereof (hereinafter referred to as the redemption date) and calling upon such holder to surrender to the Corporation on the redemption date at the place designated in such notice his certificate or certificates representing the number of shares specified in such notice of redemption, provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the proceeding for the redemption of any shares of Senior Preferred Stock to be redeemed except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. On the redemption date each holder of shares of Senior Preferred Stock to be redeemed shall present and surrender his certificate or certificates for such shares to the Corporation at the place designated in such notice and thereupon the redemption price of such shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In case less than all the shares represented by such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the redemption date (unless default shall be made by the Corporation in payment of the redemption price) all dividends on the shares of Senior Preferred Stock designated for redemption in such notice shall cease to accrue and all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price thereof (including all accrued and unpaid dividends up to the redemption date) upon the surrender of certificates representing the same, shall cease and terminate and such shares shall not thereafter be transferred (except with the consent of the

Corporation) on the books of the Corporation and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Corporation prior to the redemption date may deposit the redemption price (including all accrued and unpaid dividends up to the redemption date) of the shares of Senior Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company having capital, surplus and undivided profits aggregating not less than \$50,000,000 in The Borough of Manhattan, City and State of New York, in which case such notice to the holders of the Senior Preferred Stock to be redeemed shall state the date of such deposit, shall specify the office of such bank or trust company as the place of payment of the redemption price and shall call upon such holders to surrender the certificates representing such shares at such price on or after the date fixed in such redemption notice (which shall not be later than the redemption date) against payment of the redemption price (including all accrued and unpaid dividends up to the redemption date). From and after the making of such deposit, the shares of Senior Preferred Stock so designated for redemption shall not be deemed to be outstanding for any purpose whatsoever and the rights of the holders of such shares shall be limited to the right to receive the redemption price of such shares (including all accrued and unpaid dividends up to the redemption date), without interest, upon surrender of the certificates representing the same to the Corporation at said office of such bank or trust company. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any moneys so deposited which shall remain unclaimed by the holders of such Senior Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation, after which the holders of the Senior Preferred Stock shall have no further interest in such moneys, except as unsecured creditors of the Corporation.

(d) Reissuances. Shares of Senior Preferred Stock which have been issued and acquired in any manner, including shares purchased or redeemed or exchanged, shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized and unissued shares of the class of Preferred Stock undesignated as to series and may be redesignated and reissued as part of any series of Preferred Stock; provided, however, that no such issued and reacquired shares of Senior Preferred Stock shall be reissued or sold as Senior Preferred Stock unless reissued as a stock dividend on shares of Senior Preferred Stock.

(e) Selection of Shares to be Redeemed. If less than all of the shares of Senior Preferred Stock are to be redeemed, the Board of Directors of the Corporation shall allocate the total Liquidation Preference (as defined in Section D(5)(a) hereof) of shares to be redeemed pro rata between (i) any shares (A) which have not been registered under the Act and disposed of pursuant to an effective registration statement or (B) which have not been distributed to the public pursuant to Rule 144 (or any similar provision then in force) under the Act ("Restricted Shares") and (ii) the remaining shares. The Restricted Shares to be redeemed shall be selected pro rata (or as nearly pro rata as practicable) by lot, or by any other method that complies with the requirements of the principal national securities exchange, if any, on which the shares being redeemed are listed, at the direction of the Board of Directors of the Corporation.

4. Voting Rights.

(a) No General Voting Rights. The holders of the Senior Preferred Stock shall not, except as required by law or as otherwise set forth herein, have any right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of the Corporation's stockholders. On any matters on which the holders of the Senior Preferred Stock shall be entitled to vote, they shall be entitled to one vote for each share held.

(b) Right to Elect Directors. In case at any time (i) the equivalent of six or more full quarterly dividends (whether consecutive or not) on the Senior Preferred Stock shall be in arrears or (ii) the Corporation shall have failed to discharge the Senior Mandatory Redemption Obligation as set forth in Section D(3)(a) hereof, then during the period (the "Voting Period") commencing with such time and ending with the time when (i) all arrears in dividends on the Senior Preferred Stock shall have been paid and the full dividend on the Senior Preferred Stock for the then current Quarterly Dividend Period shall have been paid or declared and set apart for payment or (ii) the Corporation shall have redeemed all shares of the Senior Preferred Stock as set forth in Section D(3)(a) hereof, as the case may be, at any meeting of the stockholders of the Corporation held for the election of directors during the Voting Period, the holders of a majority of the outstanding shares of Senior Preferred Stock represented in person or by proxy at said meeting shall be entitled, as a class, to the exclusion of the holders of all other classes or series of stock (including, without limitation, the Junior Preferred Stock) of the Corporation, to elect 20% of the directors of the Corporation, but in no event less than two directors of the Corporation. During any Voting Period, the Board of Directors of the Corporation shall be expanded to include such greater number of directors as may be necessary to comply with this Section D(4)(b). The remaining directors shall be elected by the other series, class or classes of stock entitled to vote therefor, at each meeting of stockholders held for the purpose of electing directors.

(c) Special Meeting. At any time when the voting rights set forth in Section D(4)(b) hereof with respect to the election of directors shall have vested in the holders of Senior Preferred Stock and if such right shall not already have been initially exercised, a proper officer of the Corporation shall, upon the written request of any holder of record of Senior Preferred Stock then outstanding, addressed to the Secretary of the Corporation, call a special meeting of holders of Senior Preferred Stock. Such meeting shall be held at the earliest practicable date upon the notice required for annual meetings of stockholders at the place for holding annual meetings of stockholders of the Corporation or, if none, at a place designated by the Secretary of the Corporation. If such meeting shall not be called by the proper officers of the Corporation within 30 days after the personal service of such written request upon the Secretary of the Corporation, or within 30 days after mailing the same within the United States, by registered mail, addressed to the Secretary of the Corporation at its principal office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of 10% of the shares of Senior Preferred Stock then outstanding may designate in writing a holder of Senior Preferred Stock to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders and shall be held at the same place as is elsewhere provided in this Section D(4)(c). Any holder of Senior Preferred Stock which would be entitled to vote at such meeting shall have access

to the stock ledger books of the Corporation for the purpose of causing a meeting of the stockholders to be called pursuant to the provisions of this Section D(4)(c). Notwithstanding the other provisions of this Section D(4)(c), however, no such special meeting shall be called which will be held during a period within 90 days immediately preceding the date fixed for the next annual meeting of stockholders. In lieu of a meeting of the holders of Senior Preferred Stock, called as provided above, the holders of Senior Preferred Stock may act during any Voting Period by written consent pursuant to Section 228 of the General Corporation Law.

(d) Quorum. At any meeting held for the purpose of electing directors at which the holders of Senior Preferred Stock shall have the right to elect directors as provided herein, the presence in person or by proxy of the holders of at least one-third of the then outstanding shares of Senior Preferred Stock shall be required and be sufficient to constitute a quorum of such series for the election of directors by such series. At any such meeting or adjournment thereof (i) the absence of a quorum of the holders of Senior Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of stock of such series and the absence of a quorum or quorums of holders of capital stock entitled to elect such other directors shall not prevent the election of directors to be elected by the holders of the Senior Preferred Stock and (ii) in the absence of a quorum of the holders of any class or series of stock entitled to vote for the election of directors, a majority of the holders present in person or by proxy of such class or series shall have the power to adjourn the meeting for the election of directors which the holders of such class or series are entitled to elect, from time to time without notice (except as required by law) other than announcement at the meeting, until a quorum shall be present.

(e) Term of Office of Directors; Vacancy. Any director who shall have been elected by holders of Senior Preferred Stock may be removed at any time during a Voting Period, either for or without cause, by and only by the affirmative vote of the holders of record of a majority of the outstanding shares of Senior Preferred Stock given at a special meeting of such stockholders called for such purpose (or by written consent without a meeting), and any vacancy thereby created may be filled during such Voting Period by the holders of Senior Preferred Stock present in person or represented by proxy at such meeting. Any director elected by holders of Senior Preferred Stock who dies, resigns or otherwise ceases to be a director shall be replaced by the affirmative vote of the holders of record of a majority of the outstanding shares of Senior Preferred Stock at a special meeting of stockholders called for that purpose (or by written consent without a meeting) or, if the holders of Senior Preferred Stock fail to fill such vacancy within 30 days after such vacancy has been created, by the remaining director(s) elected by holders of Senior Preferred Stock. At the end of the Voting Period, the holders of Senior Preferred Stock shall be automatically divested of all voting power vested in them under this subsection (e) but subject always to the subsequent vesting hereunder of voting power in the holders of Senior Preferred Stock in the event of (i) any similar cumulated arrearage in payment of quarterly dividends occurring thereafter or (ii) the subsequent failure of the Corporation to make the Senior Mandatory Redemption Obligation. The term of all directors elected pursuant to the provisions of this subsection (e) shall in all events expire at the end of the Voting Period and upon such expiration the number of directors constituting the Board of Directors shall, without further

action, be reduced by two (2) (or such other number by which the number of directors constituting the Board of Directors shall have been increased pursuant to Section D(4)(b) hereof), subject always to the increase of the number of directors pursuant to Section D(4)(b) hereof in case of the future right of the holders of Senior Preferred Stock to elect directors as provided herein.

5. Liquidation Preference.

(a) Priority of Senior Preferred Stock in Event of Liquidation or Dissolution. In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Senior Preferred Stock shall be entitled to receive, out of the remaining net assets of the Corporation, the amount of one hundred dollars (\$100.00) in cash for each share of Senior Preferred Stock (the "Liquidation Preference"), plus an amount equal to all dividends (including Additional Dividends) accrued and unpaid on each such share up to the date fixed for distribution, before any distribution shall be made to the holders of the Common Stock, Junior Preferred Stock or any other capital stock ranking (as to any such distribution) junior to the Senior Preferred Stock. In the event of any involuntary or voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the Corporation by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Senior Preferred Stock payable before any distribution is made to any holder of any series of Preferred Stock or Common Stock or any other stock of the Corporation ranking junior to the Senior Preferred Stock as to liquidation, dissolution or winding up (including, without limitation, the Junior Preferred Stock and any Common Stock), in an amount equal to any accrued and unpaid dividends (including Additional Dividends) on the Senior Preferred Stock as of such date and if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends (including Additional Dividends) accrued at the time of such liquidation, any remaining accrued and unpaid dividends (including Additional Dividends) shall be added to the Liquidation Preference to be received by the holders of the Senior Preferred Stock for such Senior Preferred Stock. Except as otherwise provided in this Section D(5), holders of Senior Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) Merger Not Liquidation. For the purposes of this Section D(5), neither the voluntary sale, lease, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Corporation, nor the consolidation or merger of the Corporation with one or more other corporations, shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, lease, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Corporation.

(c) Fractional Shares. The Liquidation Preference with respect to each outstanding fractional share of Senior Preferred Stock shall be equal to a ratably proportionate amount of the Liquidation preference with respect to each outstanding share of Senior Preferred Stock.

6. No Conversion of Senior Preferred Stock. The Senior Preferred Stock shall not be convertible.

7. Exchange For Junior Subordinated Debentures.

(a) Requirements of Exchange. The shares of Senior

Preferred Stock are exchangeable in whole, but not in part, at the option of the Company on any Dividend Payment Date on or after January 15, 1990 for Junior Subordinated Debentures Due July 15, 2000 of the Corporation (the "Junior Subordinated Debentures") to be issued pursuant to an indenture (the "Indenture") substantially in the form filed with the Secretary of the Corporation; provided, that on the date of exchange (i) there shall be no dividend arrearage (including the dividend payable on the date of exchange) on the Senior Preferred Stock; (ii) no Default or Event of Default (each as defined in the Indenture) under the Indenture shall have occurred and be continuing, both prior to and after giving effect to the exchange; and (iii) there shall be no other contractual restriction under any outstanding indebtedness of the Corporation prohibiting the exchange. Holders of outstanding shares of Senior Preferred Stock will be entitled to receive \$100 principal amount Junior Subordinated Debentures in exchange for each share of Senior Preferred Stock held by them at the time of exchange. In the event that such exchange would result in the issuance of a Junior Subordinated Debenture in a principal amount which is not an integral multiple of \$1,000, the difference between such principal amount and the highest integral multiple of \$1,000 which is less than such principal amount shall be paid to the holder in cash.

(b) Notice of Exchange. The Corporation will mail to

each holder of record of the shares of Senior Preferred Stock written notice of the Corporation's intention to exchange not less than 30 nor more than 60 days prior to the Dividend Payment Date fixed for the exchange (the "Junior Subordinated Debenture Exchange Date"). Each such notice shall state: (i) the Junior Subordinated Debenture Exchange Date, (ii) the place or places where certificates for such shares of Senior Preferred Stock are to be surrendered for exchange into Junior Subordinated Debentures and (iii) that dividends on the shares of Senior Preferred Stock to be exchanged will cease to accrue on such Junior Subordinated Debenture Exchange Date. The form of the Indenture may not be amended or supplemented before the Junior Subordinated Debenture Exchange Date without the affirmative vote or consent of the holders of a majority of the outstanding shares of Senior Preferred Stock, except for those changes which would not adversely affect the legal rights of the holders. The Corporation will cause the Junior Subordinated Debentures to be authenticated on the Junior Subordinated Debenture Exchange Date, and will pay interest on the Junior Subordinated Debentures at the rate and on the dates specified in such Indenture from the Junior Subordinated Debenture Exchange Date.

(c) Effect of Exchange. If notice has been mailed as

aforesaid, from and after the Junior Subordinated Debenture Exchange Date (unless default shall be made by the Company in issuing Junior Subordinated Debentures in exchange for, or default shall have been made by the Corporation in making the final dividend payment on, the outstanding shares of Senior Preferred Stock on the Junior Subordinated Debenture Exchange Date), dividends on the shares of Senior Preferred Stock shall cease to accrue and said shares shall

no longer be deemed to be issued and outstanding and all rights of the holders thereof as stockholders of the Corporation (except the right to receive in accordance with this Section D(7) the Corporation's Junior Subordinated Debentures) shall cease and terminate. Upon surrender in accordance with said notice of the certificates for any shares of Senior Preferred Stock so exchanged (properly endorsed or assigned for transfer, if the Corporation shall so require and the notice shall so state), such shares shall be exchanged by the Corporation into Junior Subordinated Debentures as aforesaid.

8. Limitations.

(a) Rank. With respect to rights to receive dividends, mandatory redemption payments and distributions upon liquidation, dissolution or winding up of the Corporation, the Senior Preferred Stock shall rank prior to all other capital stock of the Corporation outstanding at the time of issuance of the Senior Preferred Stock and, as described in this Section D(8), the Senior Preferred Stock shall be subject to the creation of Junior Securities (as defined below) and, pursuant to the voting requirements of Section D(8)(b)(ii), Parity Securities (as defined below); provided, however, that no Parity or Junior Security shall be created that is entitled to receive a dividend in cash with respect to any period of time which includes a dividend period for which Senior Preferred Stock receives a dividend payable in additional shares of Senior Preferred Stock.

(b) Payments on Junior Securities and Parity Securities.

So long as any shares of Senior Preferred Stock are outstanding, the Corporation shall not declare, pay or set apart for payment any dividend on the Junior Preferred Stock or any other capital stock of the Corporation ranking junior to the Senior Preferred Stock as to dividends or liquidation rights (collectively, "Junior Securities") or any other capital stock of the Corporation ranking on a parity with the Senior Preferred Stock as to dividends or liquidation rights (collectively, "Parity Securities") or make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption (whether optional or mandatory) or other retirement of, any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities, or make any distribution in respect thereof, either directly or indirectly, whether in cash, obligations or shares of the Corporation or the property thereof (other than (i) dividends, distributions, redemptions, sinking funds or other similar obligations to be satisfied pro rata (based on aggregate liquidation value) between Parity Securities and the Senior Preferred Stock, (ii) distributions or dividends in Junior Securities to the holders of Junior Securities and (iii) the repurchase of Junior Securities from certain of the Corporation's or its subsidiaries' officers and key employees, in an aggregate amount not to exceed \$1,500,000, upon the death, disability, voluntary or involuntary termination of any such persons), and shall not permit any corporation or other entity directly or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities; provided, however, that with respect to dividends and distributions, payments may be made or amounts set aside for payment of dividends on the Junior Securities or Parity Securities if prior to or concurrently with such payment or setting apart for payment, all accrued and unpaid dividends on shares of the Senior Preferred

Stock not paid on the dates provided for in Section D(2)(a) hereof (including Additional Dividends) shall have been or shall be paid.

(c) Voting Rights - Extraordinary Events.

(i) Amendments Affecting the Terms of the Senior Preferred Stock. So long as any shares of the Senior Preferred Stock are outstanding and unless the vote or consent of the holders of a greater number of shares shall then be required by law (and in addition to any vote then required by law), the consent of the holders of at least 66-2/3% of all of the outstanding shares of Senior Preferred Stock (given in person or by proxy, either by written consent pursuant to Section 228 of the General Corporation Law or by a vote at a special meeting of stockholders called for such purpose or at any annual meeting of stockholders, with the holders of Senior Preferred Stock voting as class and with each share of Senior Preferred Stock having one vote) shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of this Article IV.D or of any amendment thereto, or of any resolution or resolutions providing for the issue of any stock, that would have an adverse effect on the designations, rights, preferences or privileges of shares of Senior Preferred Stock.

(ii) Creation of Priority Securities; Merger or Consolidation. So long as any shares of the Senior Preferred Stock are outstanding and unless the vote or consent of the holders of a greater number of shares shall then be required by law (and in addition to any vote then required by law), the consent of the holders of at least 66-2/3 of all of the outstanding shares of Senior Preferred Stock (given in person or by proxy, either by written consent pursuant to Section 228 of the General Corporation Law or by a vote at a special meeting of stockholders called for such purpose or at any annual meeting of stockholders, with the holders of Senior Preferred Stock voting as a class and with each share of Senior Preferred Stock having one vote) shall be required in order to authorize (A) the creation of any class or series of Senior Preferred Stock ranking prior to the Senior Preferred Stock as to dividends or upon liquidation (collectively, "Priority Securities") or any class or series of Parity Securities or the authorization of additional shares of any class or series of Priority Securities or Parity Securities or (B) the sale, lease or conveyance of all or substantially all of the Corporation's assets or the merger or consolidation of the Corporation with or into any other entity if as a result of such transaction the Senior Preferred Stock would be redeemed for less than its Liquidation Preference plus any accrued and unpaid dividends (including Additional Dividends), or as a result of which the Senior Preferred Stock would continue in existence (either as stock in the Corporation or in the surviving company in a merger) but with an adverse alteration in the specified powers, designations, rights, preferences or privileges.

(iii) Authorization or Issuance of Junior Securities. Subject to the provisions of Section D(8)(a) hereof, nothing herein contained shall be construed so as to require a class vote or the consent of the holders of the outstanding shares of Senior Preferred Stock (A) in connection with any increase in the total number of

authorized shares or issuance of additional shares of Common Stock, or (B) in connection with the authorization or increase or issuance of additional shares of any class or series of Junior Securities.

(iv) Restriction on Voting Rights. The limitations stated above shall not apply if, at or prior to the time when the distribution, payment, purchase, redemption, discharge, conversion, exchange, amendment, alteration, repeal, issuance, sale, lease, conveyance, merger or consolidation is to occur, as the case may be, provision is made for the concurrent redemption of all outstanding shares of Senior Preferred Stock, including any shares of Senior Preferred Stock issued in payment of dividends on the Senior Preferred Stock. Nothing herein contained shall in any way limit the right and power of the Corporation to issue the presently authorized but unissued shares of its capital stock, or bonds, notes, mortgages, debentures, and other obligations, and to incur indebtedness to banks and to other lenders.

(d) Construction of Conflicting Terms. In the event of any conflict between the terms of the Senior Preferred Stock and any Junior Securities or Parity Securities, the terms of the Senior Preferred Stock shall control and apply.

E. Terms of Series A Junior Preferred Stock.

1. Designation; Number of Shares. The following is a statement of the designations, powers, preferences and the relative participating, optional or other special rights and the qualifications, limitations or restrictions of a series of Preferred Stock to be designated as "Series A Junior Redeemable Preferred Stock due 2001" (as used herein and in Sections D and F hereto, the "Series A Junior Preferred Stock"). The number of shares of Series A Junior Preferred Stock authorized for issuance hereby is 50,000. The definitions of terms defined in this Section E are applicable only to this Section E, unless the context otherwise requires.

2. Dividends.

(a) Rate. The holders of the shares of Series A Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of Legally Available Funds cumulative dividends on each share of Series A Junior Preferred Stock for each Quarterly Dividend Period (as defined below) at the annual rate of 12% (\$12.00) per share, and no more. Such dividends shall be payable in equal quarterly payments on April 15, July 15, October 15, and January 15, in each year (each a "Dividend Payment Date"), commencing April 15, 1988. Each period from January 15 through the next April 15, from April 15 through the next July 15, from July 15 through the next October 15, or from October 15 through the next January 15, as the case may be, is hereinafter referred to as a "Quarterly Dividend Period"; provided that the first Quarterly Dividend Period shall mean the period commencing the day shares of Series A Junior Preferred Stock are originally issued and ending on April 15, 1988. Each of such quarterly dividends (whether payable in cash or stock) shall be fully cumulative and shall accrue

(whether or not declared), without interest from the first day of the applicable Quarterly Dividend Period. Each such dividend shall be paid to the holders of record of shares of Series A Junior Preferred Stock as they appear on the stock register of the Corporation on such record date as shall be fixed by the Board of Directors of the Corporation or a duly authorized committee thereof, which date shall be not more than 60 days nor less than 10 days preceding the Dividend Payment Date relating thereto. On or prior to January 15, 1993, all dividends may at the option of the Corporation be paid, in lieu of cash, in additional shares of Series A Junior Preferred Stock (based on the Liquidation Preference thereof) and thereafter all dividends shall be payable only in cash; provided, however, that if the Corporation shall fail to pay a dividend payment in cash on or prior to January 15, 1993, then the Corporation shall make such dividend payment in additional shares of Series A Junior Preferred Stock to the extent permitted by applicable law, regardless of the terms of any other securities of the Corporation or any contract or other agreement to which it may be a party. The Corporation may issue fractional shares of any dividend paid in additional shares of Series A Junior Preferred Stock.

(b) Computation. Dividends payable on the Series A Junior Preferred Stock shall be computed on the basis of a 360-day year of twelve 30-day months and, if payable for a period that is less than a full Quarterly Dividend Period, the actual number of days elapsed in the period for which payable.

3. Redemption of Series A Junior Preferred Stock.

(a) Mandatory Redemption. As a mandatory redemption for the retirement of the shares of Series A Junior Preferred Stock, the Corporation shall, subject to any applicable contractual restrictions, redeem, out of Legally Available Funds, on July 15, 2001, if any such shares remain outstanding, all such shares issued, at the redemption price of 100% of the Series A Liquidation Preference (as defined in Section E(5)(a) hereof). Immediately prior to authorizing or making such redemption with respect to the Series A Junior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Series A Junior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends on the Series A Junior Preferred Stock as of such date and, if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends accrued at the time of such redemption, any remaining accrued and unpaid dividends shall be added to the redemption price.

If the Corporation shall fail to discharge its obligation to redeem all of the outstanding shares of Series A Junior Preferred Stock required to be redeemed pursuant to this Section E(3)(a) (the "Series A Junior Mandatory Redemption Obligation"), the Series A Junior Mandatory Redemption Obligation shall be discharged as soon as the Corporation is able to discharge such Series A Junior Mandatory Redemption Obligation.

(b) Optional Redemption. Subject to contractual or other restrictions of the Corporation to the contrary, the Series A Junior Preferred Stock shall be redeemable, in whole or in part (subject to the next succeeding paragraph), out of Legally Available Funds,

at the option of the Corporation by resolution of its Board of Directors, at a redemption price per share of \$100. Immediately prior to authorizing or making any such redemption with respect to the Series A Junior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Series A Junior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends on the Series A Junior Preferred Stock as of such date and if the Corporation does not have sufficient legally Available Funds as of the date such redemption is authorized to declare and pay all dividends accrued at the time of such redemption, any remaining accrued and unpaid dividends shall be added to the redemption price.

Unless the full cumulative dividends on all outstanding shares of Series A Junior Preferred Stock shall have been paid or contemporaneously are declared and paid for all past dividend periods (or included in the redemption price), the Corporation may not redeem only part of the outstanding shares of Series A Junior Preferred Stock pursuant to the first paragraph of this subsection (b).

(c) Notice of Redemption. At least 30 days but not more than 60 days prior to the date fixed for the redemption of shares of the Series A Junior Preferred Stock pursuant to Section E(3)(a) or E(3)(b) above, a written notice shall be mailed to each holder of record of shares of Series A Junior Preferred Stock to be redeemed in a postage prepaid envelope addressed to such holder at his post office address as shown on the records of the Corporation, notifying such holder of the election of the Corporation to redeem such shares, stating the date fixed for redemption thereof (hereinafter referred to as the redemption date) and calling upon such holder to surrender to the Corporation on the redemption date at the place designated in such notice his certificate or certificates representing the number of shares specified in such notice of redemption, provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the proceeding for the redemption of any shares of Series A Junior Preferred Stock to be redeemed except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. If at any time there shall be only one holder of all outstanding shares of Series A Junior Preferred Stock, the notice required by this subsection (c) shall be sent by telecopy or by registered or certified mail, postage prepaid, to such sole shareholder. On the redemption date each holder of shares of Series A Junior Preferred Stock to be redeemed shall present and surrender his certificate or certificates for such shares to the Corporation at the place designated in such notice and thereupon the redemption price of such shares shall be paid to or on the order of the person whose names appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In case less than all the shares represented by such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the redemption date (unless default shall be made by the Corporation in payment of the redemption price) all dividends on the shares of Series A Junior Preferred Stock designated for redemption in such notice shall cease to accrue and all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price thereof (including all accrued and unpaid dividends up to the redemption date) upon the surrender of certificates representing the same, shall cease and terminate and such shares shall not thereafter be transferred (except with the

consent of the Corporation) on the books of the Corporation and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Corporation prior to the redemption date may deposit the redemption price (including all accrued and unpaid dividends up to the redemption date) of the shares of Series A Junior Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company having capital, surplus and undivided profits aggregating not less than \$50,000,000 in The Borough of Manhattan, City and State of New York, in which case such notice to the holders of the Series A Junior Preferred Stock to be redeemed shall state the date of such deposit, shall specify the office of such bank or trust company as the place of payment of the redemption price and shall call upon such holders to surrender the certificates representing such shares at such price on or after the date fixed in such redemption notice (which shall not be later than the redemption date) against payment of the redemption price (including all accrued and unpaid dividends up to the redemption date). From and after the making of such deposit, the shares of Series A Junior Preferred Stock so designated for redemption shall not be deemed to be outstanding for any purpose whatsoever and the rights of the holders of such shares shall be limited to the right to receive the redemption price of such shares (including all accrued and unpaid dividends up to the redemption date), without interest, upon surrender of the certificates representing the same to the Corporation at said office of such bank or trust company. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any moneys so deposited which shall remain unclaimed by the holders of such Series A Junior Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation, after which the holders of the Series A Junior Preferred Stock shall have no further interest in such moneys, except as unsecured creditors of the Corporation.

(d) Reissuances. Shares of Series A Junior Preferred Stock which have been issued and acquired in any manner, including shares purchased or redeemed or exchanged, shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized and unissued shares of the class of Preferred Stock undesignated as to series and may be redesignated and reissued as part of any series of Preferred Stock; provided, however, that no such issued and reacquired shares of Series A Junior Preferred Stock shall be reissued or sold as Series A Junior Preferred Stock unless reissued as a stock dividend on shares of Series A Junior Preferred Stock.

4. Voting Rights.

(a) No General Voting Rights. The holders of the Series A Junior Preferred Stock shall not, except as required by law or as otherwise set forth herein, have any right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of the Corporation's stockholders. On any matters on which the holders of the Series A Junior Preferred Stock shall be entitled to vote, they shall be entitled to one vote for each share held.

(b) Right to Elect Directors. In case at any time (i) the equivalent of six or more full quarterly dividends (whether consecutive or not) on the Series A Junior Preferred Stock shall be in arrears or (ii) the Corporation shall have failed to discharge the

Series A Junior Mandatory Redemption Obligation of shares of Series A Junior Preferred Stock as set forth in Section E(3)(a) hereof, then during the period (the "Voting Period") commencing with such time and ending with the time when (i) all arrears in dividends on the Series A Junior Preferred Stock shall have been paid and the full dividend on the Series A Junior Preferred Stock for the then current Quarterly Dividend Period shall have been paid or declared and set apart for payment or (ii) the Corporation shall have redeemed all shares of the Series A Junior Preferred Stock as set forth in Section E(3)(a) hereof, as the case may be, at any meeting of the stockholders of the Corporation held for the election of directors during the Voting Period, the holders of a majority of the outstanding shares of Series A Junior Preferred Stock represented in person or by proxy at said meeting shall be entitled, as a class, to the exclusion of the holders of all other classes or series of stock of the Corporation, to elect one (1) director of the Corporation. During any Voting Period, the Board of Directors of the Corporation shall be expanded to include such additional director to comply with this Section E(4)(b). The remaining directors shall be elected by the other series, class or classes of stock entitled to vote therefor, at each meeting of stockholders held for the purpose of electing directors.

(c) Special Meeting. At any time when the voting rights set forth in Section E(4)(b) hereof with respect to the election of a director shall have vested in the holders of Series A Junior Preferred Stock and if such right shall not already have been initially exercised, a proper officer of the Corporation shall, upon the written request of any holder of record of Series A Junior Preferred Stock then outstanding, addressed to the Secretary of the Corporation, call a special meeting of holders of Series A Junior Preferred Stock. Such meeting shall be held at the earliest practicable date upon the notice required for annual meetings of stockholders at the place for holding annual meetings of stockholders of the Corporation or, if none, at a place designated by the Secretary of the Corporation. If such meeting shall not be called by the proper officers of the Corporation within 30 days after the personal service of such written request upon the Secretary of the Corporation, or within 30 days after mailing the same within the United States, by registered mail, addressed to the Secretary of the Corporation at its principal office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of 10% of the shares of Series A Junior Preferred Stock then outstanding may designate in writing a holder of Series A Junior Preferred Stock to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders and shall be held at the same place as is elsewhere provided in this Section E(4)(c). Any holder of Series A Junior Preferred Stock which would be entitled to vote at such meeting shall have access to the stock ledger books of the Corporation for the purpose of causing a meeting of the stockholders to be called pursuant to the provisions of this Section E(4)(c). Notwithstanding the other provisions of this Section E(4)(c), however, no such special meeting shall be called which will be held during a period within 90 days immediately preceding the date fixed for the next annual meeting of stockholders. In lieu of a meeting of the holders of Series A Junior Preferred Stock, called as provided above, the holders of Series A Junior Preferred Stock may act during any Voting Period by written consent pursuant to Section 228 of the General Corporation Law.

(d) Quorum. At any meeting held for the purpose of electing directors at which the holders of Series A Junior Preferred Stock shall have the right to elect a director as provided herein, the presence in person or by proxy of the holders of at least one-third of the then outstanding shares of Series A Junior Preferred Stock shall be required and be sufficient to constitute a quorum of such series for the election of directors by such series. At any such meeting or adjournment thereof (i) the absence of a quorum of the holders of Series A Junior Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of stock of such series and the absence of a quorum or quorums of holders of capital stock entitled to elect such other directors shall not prevent the election of directors to be elected by the holders of the Series A Junior Preferred Stock and (ii) in the absence of a quorum of the holders of any class or series of stock entitled to vote for the election of directors, a majority of the holders present in person or by proxy of such class or series shall have the power to adjourn the meeting for the election of directors which the holders of such class or series are entitled to elect, from time to time without notice (except as required by law) other than announcement at the meeting, until a quorum shall be present.

(e) Term of Office of Directors; Vacancy. Any director who shall have been elected by holders of Series A Junior Preferred Stock may be removed at any time during a Voting Period, either for or without cause, by and only by the affirmative vote of the holders of record of a majority of the outstanding shares of Series A Junior Preferred Stock given at a special meeting of such stockholders called for such purpose (or by written consent without a meeting), and any vacancy thereby created may be filled during such Voting Period by the holders of Series A Junior Preferred Stock present in person or represented by proxy at such meeting. Any director elected by holders of Series A Junior Preferred Stock who dies, resigns or otherwise ceases to be a director shall be replaced by the affirmative vote of the holders of record of a majority of the outstanding shares of Series A Junior Preferred Stock at a special meeting of stockholders called for that purpose (or by written consent without a meeting). At the end of the Voting Period, the holders of Series A Junior Preferred Stock shall be automatically divested of all voting power vested in them under this subsection (e) but subject always to the subsequent vesting hereunder of voting power in the holders of Series A Junior Preferred Stock in the event of (i) any similar cumulated arrearage in payment of quarterly dividends occurring thereafter or (ii) the subsequent failure of the Corporation to make the Series A Junior Mandatory Redemption Obligation. The term of all directors elected pursuant to the provisions of this subsection (e) shall in all events expire at the end of the Voting Period and upon such expiration the number of directors constituting the Board of Directors shall, without further action, be reduced by one (1), subject always to the increase of the number of directors pursuant to Section E(4)(b) hereof in case of the future right of the holders of Series A Junior Preferred Stock to elect directors as provided herein.

(f) Actions Not Materially Adverse. (i) The creation, authorization or issuance of any shares of any equity securities of the Corporation with which the Series A Junior Preferred Stock ranks prior, or which rank on a parity with the Senior Preferred Stock, or to which the Senior Preferred Stock is junior, whether with respect to dividends or upon liquidation, dissolution or otherwise (all such securities collectively referred to as "Additional Securities"), or the creation, authorization or issuance of any obligation or

security convertible into or evidencing the right to purchase any Additional Securities, (ii) the creation of any indebtedness of any kind of the Corporation, or (iii) the increase or decrease in the amount of authorized capital stock of any class, including the Preferred Stock, or series thereof except the Series A Junior Preferred Stock, or any increase, decrease or change in the par value of any such class other than the Preferred Stock, shall not require the consent of the holders of Series A Junior Preferred Stock and shall not be deemed to affect materially and adversely the rights, preferences, privileges and voting rights of shares of Series A Junior Preferred Stock.

(g) Issuance of Additional Shares of Series A Junior Preferred Stock. Except as provided in Section E(2)(a) hereof with respect to the payment of dividends on shares of Series A Junior Preferred Stock in additional shares of such stock, the Corporation shall not issue any additional shares of Series A Junior Preferred Stock without the consent (given in person or by proxy, either by written consent pursuant to Section 228 of the General Corporation Law or by a vote at a special meeting of stockholders called for such purpose or at any annual meeting of stockholders, with the holders of Series A Junior Preferred Stock voting as a class and each share of such stock having one vote) of the holders of the majority of outstanding shares of Series A Junior Preferred Stock.

5. Liquidation Preference.

(a) Priority of Series A Junior Preferred Stock in Event of Liquidation or Dissolution. In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Series A Junior Preferred Stock shall be entitled to receive, out of the remaining net assets of the Corporation, the amount of one hundred dollars (\$100.00) in cash for each share of Series A Junior Preferred Stock (the "Series A Liquidation Preference"), plus an amount equal to all dividends accrued and unpaid on each such share up to the date fixed for distribution, before any distribution shall be made to the holders of the Common Stock, the Series B Junior Preferred Stock or any other capital stock ranking (as to any such distribution) junior to the Series A Junior Preferred Stock. In the event of any involuntary or voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the Corporation by resolution of its Board of Directors shall (subject to Section E(7)(b) hereof), to the extent of any Legally Available Funds, declare a dividend on the Series A Junior Preferred Stock payable before any distribution is made to any holder of any Series B Preferred Stock or Common Stock or any other stock of the Corporation ranking junior to the Series A Junior Preferred Stock as to liquidation, dissolution or winding up, in an amount equal to any accrued and unpaid dividends on the Series A Junior Preferred Stock as of such date and if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends accrued at the time of such liquidation, any remaining accrued and unpaid dividends shall be added to the Series A Liquidation Preference to be received by the holders of the Series A Junior Preferred Stock for such Series A Junior Preferred Stock. Except as otherwise provided in this Section E(5), holders of Series A Junior Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) Merger Not Liquidation. For the purposes of this Section E(5), neither the voluntary sale, lease, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Corporation, nor the consolidation or merger of the Corporation with one or more other corporations, shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, lease, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Corporation.

(c) Fractional Shares. The Liquidation Preference with respect to each outstanding fractional share of Series A Junior Preferred Stock shall be equal to a ratably proportionate amount of the Liquidation preference with respect to each outstanding share of Series A Junior Preferred Stock.

6. No Conversion of Series A Junior Preferred Stock. The Series A Junior Preferred Stock shall not be convertible or exchangeable.

7. Limitations.

(a) Rank. With respect to rights to receive dividends, mandatory redemption payments and distributions upon liquidation, dissolution or winding up of the Corporation, the Series A Junior Preferred Stock shall rank prior to all other stock of the Corporation outstanding at the time of issuance of the Series A Junior Preferred Stock, except the Senior Preferred Stock. Series A Junior Preferred Stock shall be subject to the creation of Junior Securities (as defined below) and, as described in Section E(4)(f) hereof, securities which rank on a parity with the Senior Preferred Stock or to which the Senior Preferred Stock is junior.

(b) Payments on Junior Securities and Parity Securities. So long as any shares of Series A Junior Preferred Stock are outstanding, the Corporation shall not declare, pay or set apart for payment any dividend on the Common Stock, the Series B Junior Preferred Stock or any other capital stock of the Corporation ranking junior to Series A Junior Preferred Stock as to dividends or liquidation rights (collectively, "Junior Securities") or any other capital stock of the Corporation ranking on a parity with the Series A Junior Preferred Stock as to dividends or liquidation rights (collectively, "Parity Securities") or make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption (whether optional or mandatory) or other retirement of, any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities, or make any distribution in respect thereof, either directly or indirectly, whether in cash, obligations or shares of the Corporation or the property thereof (other than (i) dividends, distributions, redemptions, sinking funds or other similar obligations to be satisfied pro rata (based on aggregate liquidation value) between Parity Securities and the Series A Junior Preferred Stock, (ii) distributions or dividends in Junior Securities to the holders of Junior Securities and (iii) the repurchase of Junior Securities from certain of the Corporation's or its subsidiaries' officers and key employees, upon the death, disability, voluntary or involuntary termination of any such persons), and shall not permit any corporation or other entity directly

or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities; provided, however, that with respect to dividends and distributions, payments may be made or amounts set aside for payment of dividends on the Junior Securities or Parity Securities if prior to or concurrently with such payment or setting apart for payment, all accrued and unpaid dividends on shares of the Series A Junior Preferred Stock not paid on the dates provided for in Section E(2)(a) hereof shall have been or shall be paid.

F. Terms of Series B Junior Preferred Stock.

1. Designation; Number of Shares. The following is a statement of the designations, powers, preferences and the relative participating, optional or other special rights and the qualifications, limitations or restrictions of a series of Preferred Stock to be designated as "Series B Junior Redeemable Preferred Stock due 2001" (as used herein and in Sections D and E hereof, the "Series B Junior Preferred Stock"). The number of shares of Series B Junior Preferred Stock authorized for issuance hereby is 450,000. The definitions of terms defined in this Section F are applicable only to this Section F, unless the context otherwise requires.

2. Dividends.

(a) Rate. The holders of the shares of Series B Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of Legally Available Funds cumulative dividends on each share of Series B Junior Preferred Stock for each Quarterly Dividend Period (as defined below) at the annual rate of 12% (\$12.00) per share, and no more. Such dividends shall be payable in equal quarterly payments on April 15, July 15, October 15, and January 15, in each year (each a "Dividend Payment Date"), commencing April 15, 1988. Each period from January 15 through the next April 15, from April 15 through the next July 15, from July 15 through the next October 15, or from October 15 through the next January 15, as the case may be, is hereinafter referred to as a "Quarterly Dividend Period," provided that the first Quarterly Dividend Period shall mean the period commencing the day shares of Series B Junior Preferred Stock are originally issued and ending on April 15, 1988. Each of such quarterly dividends (whether payable in cash or stock) shall be fully cumulative and shall accrue (whether or not declared), without interest from the first day of the applicable Quarterly Dividend Period. Each such dividend shall be paid to the holders of record of shares of Series B Junior Preferred Stock as they appear on the stock register of the Corporation on such record date as shall be fixed by the Board of Directors of the Corporation or a duly authorized committee thereof, which date shall be not more than 60 days nor less than 10 days preceding the Dividend Payment Date relating thereto. At the option of the Corporation, all dividends may be paid, in lieu of cash, in additional shares of Series B Junior Preferred Stock (based on the Liquidation Preference thereof). The Corporation may issue fractional shares in connection with the declaration and payment of any dividend paid in additional shares of Series B Junior Preferred Stock.

(b) Computation. Dividends payable on the Series B Junior Preferred Stock shall be computed on the basis of a 360-day year of twelve 30-day months and, if payable for a period that is less than a full Quarterly Dividend Period, the actual number of days elapsed in the period for which payable.

3. Redemption of Series B Junior Preferred Stock.

(a) Mandatory Redemption. As a mandatory redemption for the retirement of the shares of Series B Junior Preferred Stock, the Corporation shall, subject to any applicable contractual restrictions, redeem, out of Legally Available Funds, on July 15, 2001, if any such shares remain outstanding, all such shares issued, at the redemption price of 100% of the Series B Liquidation Preference (as defined in Section F(5)(a) hereof). Immediately prior to authorizing or making such redemption with respect to the Series B Junior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Series B Junior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends on the Series B Junior Preferred Stock as of such date and, if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends accrued at the time of such redemption, any remaining accrued and unpaid dividends shall be added to the redemption price.

If the Corporation shall fail to discharge its obligation to redeem all of the outstanding shares of Series B Junior Preferred Stock required to be redeemed pursuant to this Section F(3)(a) (the "Series B Junior Mandatory Redemption Obligation"), the Series B Junior Mandatory Redemption Obligation shall be discharged as soon as the Corporation is able to discharge such Series B Junior Mandatory Redemption Obligation.

(b) Optional Redemption. Subject to contractual or other restrictions of the Corporation to the contrary, the Series B Junior Preferred Stock shall be redeemable, in whole or in part (subject to the next succeeding paragraph), out of Legally Available Funds, at the option of the Corporation by resolution of its Board of Directors, at a redemption price per share of \$100. Immediately prior to authorizing or making any such redemption with respect to the Series B Junior Preferred Stock, the Corporation, by resolution of its Board of Directors shall, to the extent of any Legally Available Funds, declare a dividend on the Series B Junior Preferred Stock payable on the redemption date in an amount equal to any accrued and unpaid dividends on the Series B Junior Preferred Stock as of such date and if the Corporation does not have sufficient Legally Available Funds as of the date such redemption is authorized to declare and pay all dividends accrued at the time of such redemption, any remaining accrued and unpaid dividends shall be added to the redemption price.

Unless the full cumulative dividends on all outstanding shares of Series B Junior Preferred Stock shall have been paid or contemporaneously are declared and paid for all past dividend periods (or included in the redemption price), the Corporation may not redeem only part of the outstanding shares of Series B Junior Preferred Stock pursuant to the first paragraph of this subsection (b).

(c) Notice of Redemption. At least 30 days but not more than 60 days prior to the date fixed for the redemption of shares of the Series B Junior Preferred Stock pursuant to Section F(3)(a) of F(3)(b) above, a written notice shall be mailed to each holder of record of shares of Series B Junior Preferred Stock to be redeemed in a postage prepaid envelope addressed to such holder at his post office address as shown on the records of the Corporation, notifying such holder of the election of the Corporation to redeem such shares, stating the date fixed for redemption thereof (hereinafter referred to as the redemption date) and calling upon such holder to surrender to the Corporation on the redemption date at the place designated in such notice his certificate or certificates representing the number of shares specified in such notice of redemption, provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the proceeding for the redemption of any shares of Series B Junior Preferred Stock to be redeemed except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. On the redemption date each holder of shares of Series B Junior Preferred Stock to be redeemed shall present and surrender his certificate or certificates for such shares to the Corporation at the place designated in such notice and thereupon the redemption price of such shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In case less than all the shares represented by such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the redemption date (unless default shall be made by the Corporation in payment of the redemption price) all dividends on the shares of Series B Junior Preferred Stock designated for redemption in such notice shall cease to accrue and all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price thereof (including all accrued and unpaid dividends up to the redemption date) upon the surrender of certificates representing the same, shall cease and terminate and such shares shall not thereafter be transferred (except with the consent of the Corporation) on the books of the Corporation and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Corporation prior to the redemption date may deposit the redemption price (including all accrued and unpaid dividends up to the redemption date) of the shares of Series B Junior Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company having capital, surplus and undivided profits aggregating not less than \$50,000,000 in The Borough of Manhattan, City and State of New York, in which case such notice to the holders of the Series B Junior Preferred Stock to be redeemed shall state the date of such deposit, shall specify the office of such bank or trust company as the place of payment of the redemption price and shall call upon such holders to surrender the certificates representing such shares at such price on or after the date fixed in such redemption notice (which shall not be later than the redemption date) against payment of the redemption price (including all accrued and unpaid dividends up to the redemption date). From and after the making of such deposit, the shares of Series B Junior Preferred Stock so designated for redemption shall not be deemed to be outstanding for any purpose whatsoever and the rights of the holders of such shares shall be limited to the right to receive the redemption price of such shares (including all accrued and unpaid dividends up to the redemption date), without interest, upon surrender of the certificates representing the same to the Corporation at said office of such bank or trust company. Any interest accrued on such funds shall be paid to the Corporation from time to time. Any moneys so deposited which

shall remain unclaimed by the holders of such Series B Junior Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation, after which the holders of the Series B Junior Preferred Stock shall have no further interest in such moneys, except as unsecured creditors of the Corporation.

(d) Reissuances. Shares of Series B Junior Preferred Stock which have been issued and acquired in any manner, including shares purchased or redeemed or exchanged, shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized and unissued shares of the class of Preferred Stock undesignated as to series and may be redesignated and reissued as part of any series of Preferred Stock; provided, however, that no such issued and reacquired shares of Series B Junior Preferred Stock shall be reissued or sold as Series B Junior Preferred Stock unless reissued as a stock dividend on shares of Series B Junior Preferred Stock.

4. Voting Rights.

(a) No General Voting Rights. The holders of the Series B Junior Preferred Stock shall not, except as required by law or as otherwise set forth herein, have any right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of the Corporation's stockholders. On any matters on which the holders of the Series B Junior Preferred Stock shall be entitled to vote, they shall be entitled to one vote for each share held.

(b) Right to Elect Directors. In case at any time (i) the equivalent of six or more full quarterly dividends (whether consecutive or not) on the Series B Junior Preferred Stock shall be in arrears or (ii) the Corporation shall have failed to discharge a Series B Junior Mandatory Redemption Obligation of shares of Series B Junior Preferred Stock as set forth in Section F(3)(a) hereof, then during the period (the "Voting Period") commencing with such time and ending with the time when (i) all arrears in dividends on the Series B Junior Preferred Stock shall have been paid and the full dividend on the Series B Junior Preferred Stock for the then current Quarterly Dividend Period shall have been paid or declared and set apart for payment or (ii) the Corporation shall have redeemed all shares of the Series B Junior Preferred Stock as set forth in Section F(3)(a) hereof, as the case may be, at any meeting of the stockholders of the Corporation held for the election of directors during the Voting Period, the holders of a majority of the outstanding shares of Series B Junior Preferred Stock represented in person or by proxy at said meeting shall be entitled, as a class, to the exclusion of the holders of all other classes or series of stock of the Corporation, to elect one (1) director of the Corporation. During any Voting Period, the Board of Directors of the Corporation shall be expanded to include such additional director to comply with this Section F(4)(b). The remaining directors shall be elected by the other series, class or classes of stock entitled to vote therefor, at each meeting of stockholders held for the purpose of electing directors.

(c) Special Meeting. At any time when the voting rights set forth in Section F(4)(b) with respect to the election of a director shall have vested in the holders of Series B Junior Preferred Stock and if such right shall not already have been initially

exercised, a proper officer of the Corporation shall, upon the written request of any holder of record of Series B Junior Preferred Stock then outstanding, addressed to the Secretary of the Corporation, call a special meeting of holders of Series B Junior Preferred Stock. Such meeting shall be held at the earliest practicable date upon the notice required for annual meetings of stockbrokers at the place for holding annual meetings of stockholders of the Corporation of, if none, at a place designated by the Secretary of the Corporation. If such meeting shall not be called by the proper officers of the Corporation within 30 days after the personal service of such written request upon the Secretary of the Corporation, or within 30 days after mailing the same within the United States, by registered mail, addressed to the Secretary of the Corporation at its principal office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of 10% of the shares of Series B Junior Preferred Stock then outstanding may designate in writing a holder of Series B Junior Preferred Stock to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders and shall be held at the same place as is elsewhere provided in this Section F(4)(c). Any holders of Series B Junior Preferred Stock which would be entitled to vote at such meeting shall have access to the stock ledger books of the Corporation for the purpose of causing a meeting of the stockholders to be called pursuant to the provisions of this Section F(4)(c). Notwithstanding the other provisions of this Section F(4)(c), however, no such special meeting shall be called which will be held during a period within 90 days immediately preceding the date fixed for the next annual meeting of stockholders. In lieu of a meeting of the holders of Series B Junior Preferred Stock, called as provided above, the holders of Series B Junior Preferred Stock may act during any Voting Period by written consent pursuant to Section 228 of the General Corporation Law.

(d) Quorum. At any meeting held for the purpose of electing a director at which the holders of Series B Junior Preferred Stock shall have the right to elect directors as provided herein, the presence in person or by proxy of the holders of at least one-third of the then outstanding shares of Series B Junior Preferred Stock shall be required and be sufficient to constitute a quorum of such series for the election of directors by such series. At any such meeting or adjournment thereof (i) the absence of a quorum of the holders of Series B Junior Preferred Stock shall not prevent the election of directors other than those to be elected by the holders of stock of such series and the absence of a quorum or quorums of holders of capital stock entitled to elect such other directors shall not prevent the election of directors to be elected by the holders of the Series B Junior Preferred Stock and (ii) in the absence of a quorum of the holders of any class or series of stock entitled to vote for the election of directors, a majority of the holders present in person or by proxy of such class or series shall have the power to adjourn the meeting for the election of directors which the holders of such class or series are entitled to elect, from time to time without notice (except as required by law) other than announcement at the meeting, until a quorum shall be present.

(e) Term of Office of Director; Vacancy. Any director who shall have been elected by holders of Series B Junior Preferred Stock may be removed at any time during a Voting Period, either for or without cause, by and only by the affirmative vote of the holders of record of a majority of the outstanding shares of Series B Junior Preferred Stock given at a special meeting of such stockholders called for such purpose (or by written

consent without a meeting), and any vacancy thereby created may be filled during such Voting Period by the holders of Series B Junior Preferred Stock present in person or represented by proxy at such meeting. Any director elected by holders of Series B Junior Preferred Stock who dies, resigns or otherwise ceases to be a director shall be replaced by the affirmative vote of the holders of record of a majority of the outstanding shares of Series B Junior Preferred Stock at a special meeting of stockholders called for that purpose (or by written consent without a meeting). At the end of the Voting Period, the holders of Series B Junior Preferred Stock shall be automatically divested of all voting power vested in them under this subsection (e) but subject always to the subsequent vesting hereunder of voting power in the holders of Series B Junior Preferred Stock in the event of (i) any similar cumulated arrearage in payment of quarterly dividends occurring thereafter or (ii) the subsequent failure of the Corporation to make the Series B Junior Mandatory Redemption Obligation. The term of the director elected pursuant to the provisions of this subsection (e) shall in all events expire at the end of the Voting Period and upon such expiration the number of directors constituting the Board of Directors shall, without further action, be reduced by one (1), subject always to the increase of the number of directors pursuant to Section F(4)(b) hereof in case of the future right of the holders of Series B Junior Preferred Stock to elect directors as provided herein.

(f) Action Not Materially Adverse. (i) The creation, authorization or issuance of any shares of any equity securities of the Corporation with which the Series B Junior Preferred Stock ranks prior, or on a parity, or junior, whether with respect to dividends or upon liquidation, dissolution, or otherwise (all such securities collectively referred to as "Additional Securities"), or the creation, authorization or issuance of any obligation or security convertible into or evidencing the right to purchase any Additional Securities, (ii) the creation of any indebtedness of any kind of the Corporation, or (iii) the increase or decrease in the amount of authorized capital stock of any class, including the Preferred Stock, or any increase, decrease or change in the par value of any such class other than the Preferred Stock, shall not require the consent of the holders of Series B Junior Preferred Stock and shall not be deemed to affect materially and adversely the rights, preferences, privileges and voting rights of shares of Series B Junior Preferred Stock.

5. Liquidation Preference.

(a) Priority of Series B Junior Preferred Stock in Event of Liquidation or Dissolution. In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Series B Junior Preferred Stock shall be entitled to receive, out of the remaining net assets of the Corporation, the amount of one hundred dollars (\$100.00) in cash for each share of Series B Junior Preferred Stock (the "Series B Liquidation Preference"), plus an amount equal to all dividends accrued and unpaid on each such share up to the date fixed for distribution, before any distribution shall be made to the holders of the Common Stock or any other capital stock ranking (as to any such distribution) junior to the Series B Junior Preferred Stock. In the event of any involuntary or voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the Corporation by resolution of its Board of Directors shall (subject to Section

F(7)(b) hereof), to the extent of any Legally Available Funds, declare a dividend on the Series B Junior Preferred Stock payable before any distribution is made to any holder of Common Stock or any other stock of the Corporation ranking junior to the Series B Junior Preferred Stock as to the liquidation, dissolution or winding up, in an amount equal to any accrued and unpaid dividends on the Series B Junior Preferred Stock as of such date and if the Corporation does not have sufficient Legally Available Funds to declare and pay all dividends accrued at the time of such liquidation, any remaining accrued and unpaid dividends shall be added to the Series B Liquidation Preference to be received by the holders of the Series B Junior Preferred Stock for such Series B Junior Preferred Stock. Except as otherwise provided in this Section F(5), holders of Series B Junior Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) Merger Not Liquidation. For the purposes of this Section F(5), neither the voluntary sale, lease, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all the property or assets of the Corporation, nor the consolidation or merger of the Corporation with one or more other corporations, shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, lease, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Corporation.

(c) Fractional Shares. The Liquidation Preference with respect to each outstanding fractional share of Series B Junior Preferred Stock shall be equal to a ratably proportionate amount of the Liquidation Preference with respect to each outstanding share of Series B Junior Preferred Stock.

6. No Conversion or Exchange of Series B Junior Preferred Stock. The Series B Junior Preferred Stock shall not be convertible or exchangeable.

7. Limitations.

(a) Rank. With respect to rights to receive dividends, mandatory redemption payments and distributions upon liquidation, dissolution or winding up of the Corporation, the Series B Junior Preferred Stock shall rank prior to all other capital stock of the Corporation outstanding at the time of issuance of the Series B Junior Preferred Stock except the Senior Preferred Stock and the Series A Junior Preferred Stock. The Series B Junior Preferred Stock shall be subject to the creation of Junior Securities, Parity Securities (each as defined below), and additional securities to which the Series B Junior Preferred Stock shall be junior, whether with respect to the right to receive dividends, mandatory redemption payments and distributions upon liquidation, dissolution or winding up of the Corporation.

(b) Payments on Junior Securities and Parity Securities. So long as any shares of Series B Junior Preferred Stock are outstanding, the Corporation shall not declare, pay or set apart for payment any dividend on the Common Stock or any other capital stock of the Corporation ranking junior to the Series B Junior Preferred Stock as to dividends or

liquidation rights (collectively, "Junior Securities") or any other capital stock of the Corporation ranking on a parity with the Series B Junior Preferred Stock as to dividends or liquidation rights (collectively, "Parity Securities") or make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption (whether optional or mandatory) or other retirement of, any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities, or make any distribution in respect thereof, either directly or indirectly, whether in cash, obligations or shares of the Corporation or the property thereof (other than (i) dividends, distributions, redemptions, sinking funds or other similar obligations to be satisfied pro rata (based on aggregate liquidation value) between Parity Securities and the Series E Junior Preferred Stock, (ii) distributions or dividends in Junior Securities to the holders of Junior Securities and (iii) the repurchase of Junior Securities from certain of the Corporation's or its subsidiaries' officers and key employees, upon the death, disability, voluntary or involuntary termination of any such persons), and shall not permit any corporation or other entity directly or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities or Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any of the Junior Securities or Parity Securities; provided, however, that with respect to dividends and distributions, payment may be made or amounts set aside for payment of dividends on the Junior Securities or Parity Securities if prior to or concurrently with such payment or setting apart for payment, all accrued and unpaid dividends on shares of the Series B Junior Preferred Stock not paid on the dates provided for in Section F(2)(a) hereof shall have been or shall be paid.

ARTICLE V
AMENDMENT OF BY-LAWS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation.

ARTICLE VI
ELECTION OF DIRECTORS

Election of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

ARTICLE VIII
DIRECTOR LIABILITY; INDEMNIFICATION

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law, as the same exists or hereafter may be amended, or (iv) for any transaction from which

the director derived an improper personal benefit. If the General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of the directors, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the amended General Corporation Law. In addition to the limitation on personal liability of directors provided herein, the Corporation shall, to the fullest extent permitted by the General Corporation Law: (x) indemnify its officers and directors and (y) advance expenses incurred by such officers or directors in relation to any action, suit or proceeding. Any repeal or modification of this paragraph by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability or right to indemnification or advancement of expenses hereunder existing at the time of such repeal or modification.

IN WITNESS WHEREOF, HI, INC., has caused its corporate seal to be hereto affixed and this certificate to be signed by Michael T. Tokarz, its President, and attested by Clifton S. Robbins, its Secretary, this 21st day of January, 1988.

MICHAEL T. TOKARZ, President

[Seal]

ATTEST:

Clifton S. Robbins

IDEX CORPORATION
NORTHBROOK, ILLINOIS

IDEX MANAGEMENT INCENTIVE COMPENSATION PLAN
FOR KEY EMPLOYEES
EFFECTIVE JANUARY 1, 1996

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. As herein used, the word "key employees" shall be understood to include corporate officers, key Executive Office managerial employees, presidents, and other executives employed in the divisions 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 Board of Directors of the Corporation to be "key employees" for a particular 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 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/she is an employee of the Corporation or a subsidiary, and, except for leaves of absence, has continuously been such an employee for more than one year, 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/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 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. Extra compensation awards for any year shall be payable in cash and the amount of cash payable at the time of the award shall be paid forthwith to each beneficiary.
7. The amount awarded to a "key employee" under the Plan shall be determined in accordance with the following Plan description:

a. PERFORMANCE MEASUREMENT

Performance will be measured using 1) five factors which will measure the quantifiable dimensions of business management performance and are relevant to the IDEX environment, and 2) performance against qualitative goals, which are in the long-run interests of the Corporation.

The five quantitative factors will measure:

- 1) performance against the original forecast for profit dollars before tax, interest on net assets, and Executive Office charges;
- 2) actual results versus the original forecast for return on average net assets employed;
- 3) actual return on average net assets employed versus a target return set by senior management of the Corporation;
- 4) actual average working capital per sales dollar versus the original forecast for average working capital per sales dollar; and
- 5) actual average working capital per sales dollar versus a target return set by senior management of the Corporation. EXHIBIT I illustrates the makeup of the annual bonus by type of performance measurement criteria.

The originally forecasted profit, return on net assets employed, and average working capital per sales dollar will be as called for in the annual business plan, as accepted by senior management of IDEX Corporation, and the target return on assets employed and working capital per sales dollar will be established by senior management of IDEX Corporation. The working capital per sales dollar shall be computed on the basis of the 13-month average amount of working capital per dollar of sales for the fiscal year. Operating unit management will be notified of the target return and target working capital per sales dollar by March 31 each year.

Qualitative performance will normally be measured through a retrospective look at the achievements of the operating unit and specific accomplishments of the bonus plan participant. The qualitative portion of the bonus may also be used to adjust bonuses under special circumstances, such as windfalls or special achievement under adverse circumstances.

b. LEVELS OF PERFORMANCE AND PAYOUT LEVELS

1) Quantitative Portion of Plan

EXHIBIT II shows an illustrative relationship between the percentage of target incentive compensation to be paid under the quantitative portion of the Plan and the performance attainment level under the factors shown in EXHIBIT I (Bonus Percent at the Performance Level). The payout percentage will be based on a percentage of goals achieved. At the 100% performance level, the target level of quantitative bonus will be paid. At the 60% performance level, 20% of the target quantitative bonus will be paid, and no bonus will be payable under the quantitative portion of the Plan below the 60% threshold. At 150% of the performance level, the maximum bonus of 200% of the targeted amount will be payable under the quantitative portion of the Plan.

The weighting of awards under the quantitative portion of the Plan (Weighting Factor) will be 1/5 on attaining profit dollars against original forecast, 1/5 on attaining return on net assets employed against original forecast, 1/5 on attaining return on net assets employed against the target established by senior management, 1/5 on attaining working capital per sales dollar against the original forecast, and 1/5 on attaining average working capital per sales dollar against the corporate target.

Quantitative performance under the Plan shall be given a 50% weighting, while qualitative performance as described in Section 2) below will receive a 50% weighting.

The Target Incentive Amount times the Weighting Factor times the Bonus Percent at the Performance Level shown on EXHIBIT II equals the amount of bonus earned for each performance measurement factor. The sum of these amounts for each of the five quantitative factors equals the total bonus to be paid under the quantitative portion of the Plan.

2) Qualitative Portion of the Plan

Determination of the bonus payable under the qualitative portion of the Plan will be made by totaling the individual scores for each qualitative factor considered (see Section 7.e.), and dividing the total by the number of qualitative factors. This gives an average qualitative score. The average qualitative score will then be converted to a bonus as a percent of target using the following table:

If Overall Average Qualitative Score Is	Qualitative Bonus as a Percentage of Target Will Be
-----	-----
0	0%
1	0%
2	40%
3	60%
4	80%
5	100%
6	120%
7	140%
8	160%
9	180%
10	200%

The bonus percentage determined above will be multiplied by the weighting factor for the qualitative portion of the Plan.

c. TOTAL BONUS

The total bonus is the sum of the quantitative bonus, weighted by the 50% factor, and the qualitative bonus, weighted by the 50% factor. For example, quantitative performance at 110% of target generates a payout at the 120% of target level, one half of which is 60%. A qualitative ranking of 7 results in a bonus as a percent of target of 140%, one half of which is 70%. The total bonus as a percent of target in this case would be 60% plus 70%, or a total of 130%.

Target Incentive Amounts and Maximum Incentive Amounts, as percentages of the salaries of the participants as of the beginning of the fiscal year, are shown in EXHIBIT III.

d. QUANTITATIVE CRITERIA

1) Profit Dollars Versus Original Forecast

For measuring divisional results, the Profit Dollars goal shall mean the profit before tax and before parent charges and/or charges for interest on net assets employed, as contained in the operating unit's annual business plan prepared in accordance with Corporation policy and accepted by senior management of IDEX Corporation. This plan is often referred to as the "Original Forecast". The actual Profit Dollars for the year shall be the profit before tax and before parent charges and/or interest on net assets as reported in the operating unit's financial statements for the appropriate full fiscal year, with appropriate adjustments resulting from Executive Office review and year-end audit.

2) Return on Net Assets Employed Versus Original Forecast

Return on net assets employed shall be calculated as follows:
Profit Dollars (as defined in d.1) above)
divided by Net Assets Employed (as defined below).

Net Assets Employed shall mean the average total assets less the total current liabilities, excluding reserves for federal income taxes and intercompany balances with the Executive Office, as reported on the appropriate balance sheets. The average shall be calculated by adding the net assets employed as of the beginning of the fiscal year with the net assets employed as of the end of each of the twelve months during the fiscal year and dividing the total by thirteen.

For measuring operating unit results, the return on assets employed goal shall be as determined from financial schedules contained in the operating unit's annual business plan ("Original Forecast") and the actual return shall be calculated from actual monthly financial statements of the operating unit, including appropriate adjustments resulting from Executive Office review and year-end audit.

3) Return on Net Assets Employed Versus Target Established by Corporation

Actual Return on Net Assets Employed for this purpose will be identical to that calculated in ITEM 2 immediately above. The target with which actual results will be compared will be established by senior management of the Corporation on an operating unit-by-operating unit basis, and operating unit presidents will be notified of the amount of the target by March 31 of each year. In establishing the target, senior management will consider a number of factors for each operating unit, including, but not limited to, market position, amount of assets required given the type of business, actual historical performance, anticipated performance, and other factors. The target return will not represent what senior management considers to be optimal or even acceptable performance in many instances. Rather, it represents the rate of return that senior management believes the operating unit should be capable of achieving given its operating environment, and the needs of the Corporation.

4) Average Working Capital Per Sales Dollar Versus Original Forecast

Actual Working Capital shall be computed by determining the amount of current assets less current liabilities, excluding income tax reserves and intercompany balances with the Executive Office, as shown on the appropriate balance sheets. The Average Working Capital shall be computed by adding the Working Capital as of the beginning of the fiscal year with the Working Capital as of the end of each of the twelve months during the fiscal year and dividing the total by thirteen.

5) Average Working Capital Per Sales Dollar Versus Corporate Target

Average Working Capital per sales dollar versus the Corporate target shall be computed as in ITEM 4 above, except that actual working capital per sales dollar shall be compared with a target amount of working capital per sales dollar as established by senior corporate management. Operating unit presidents will be notified of the target by March 31 each year.

e. TYPICAL QUALITATIVE CONSIDERATIONS

Among factors which will be considered in determining qualitative performance under the Plan are the following:

- The ability to set realistic goals and accomplish those goals
- Timely and appropriate reaction to factors which could not reasonably be foreseen at the beginning of the year
- Improvement of employee productivity and human resources development
- Achievement of milestones against long-term product development goals
- Maintenance or improvement of market share
- Evaluation and development of a business strategy for future growth
- Product excellence
- Customer perception of the business
- Development of manufacturing processes
- Business systems development
- "Fleetfootedness"

Each of the applicable qualitative factors are rated based on the scale on the reverse side of the Performance Measurement Worksheet in Exhibit IV. All ratings must be in even numbers in order to facilitate definitive decisions and gradations of relative performance levels for each factor.

In early October of each performance year, each MICP participant shall individually rate their division on each qualitative factor. The President of each operating unit shall then convene a meeting of the MICP participants to discuss the individual ratings and determine a consensus operating unit rating for each factor and the total average qualitative rating. These ratings shall be forwarded to the President, IDEX and Senior Vice President - Operations by October 15 of the performance year.

The respective Vice President - Group Executive, and Senior Corporate Officers designated by the President of IDEX, will also independently rate the qualitative criteria for each division without having reviewed the ratings from the operating units, and then will meet to review their ratings and the division consensus ratings in order to determine the final rating for each factor and a final total average qualitative rating for each division.

f. SPECIAL ADJUSTMENTS

In special circumstances, awards to specific individuals may be adjusted positively or negatively to reflect individual performance, which substantially affected the operating unit's results. However, these adjustments will be made very infrequently and on the basis of very unusual performance.

8. If a beneficiary dies, his/her unpaid and undelivered extra compensation awards, if any, shall be paid out and delivered in accordance with the terms specified in such awards to his/her legal representatives or to the persons entitled thereto as determined by a court of competent jurisdiction. Such unpaid and undelivered extra compensation awards, if any, may be paid out and delivered as may be determined by the Committee in its discretion subject to the approval of the Board of Directors.

9. This Plan was effective as of January 22, 1988, and was amended as of January 1, 1996. While, as in the past, it is contemplated that extra compensation will be awarded annually, the Board of Directors shall have the right from time to time to modify or suspend this Plan.
10. 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 By-Laws of the Corporation.
11. Forms used to calculate performance under the Plan are attached as EXHIBIT IV - Performance Measurement Worksheets, and EXHIBIT V - Individual Incentive Award Worksheet.
12. Computations described herein apply to participants employed in the individual operating units of the Company. Executive Office participants shall generally have their extra compensation computed on the basis of weighted average performance of the operating subsidiaries, and shall also be eligible for the special individual adjustments described in 7.f. above.

IDEX CORPORATION
 MANAGEMENT INCENTIVE COMPENSATION PLAN
 PERFORMANCE MEASUREMENT CRITERIA

FACTOR	% OF TOTAL CONSIDERATION
--------	--------------------------

Actual Profit Dollars vs.
Original Forecast

10%

Actual Return on Net Assets
Employed vs. Original Target

10%

Actual Return on Net Assets
Employed vs. Corporate Target

QUANTITATIVE

10%

50%

Actual Average Working
Capital Per Sales Dollar vs.
Original Forecast

10%

Actual Average Working Capital
Per Sales Dollar vs.
Corporate Target

10%

Individual and Business Unit
Performance Measurement Factors
Including Long-term Objectives
(e.g. Product development
benchmarks, market share
growth, business strategy
planning, specific regulatory
compliance systems
development, human resources
development, and the ability
to both set and accomplish
realistic goals)

QUALITATIVE

50%

50%

IDEX CORPORATION

ILLUSTRATION OF EXTRA COMPENSATION
IN RELATION TO LEVEL OF PERFORMANCE
UNDER QUANTITATIVE PORTION OF EXTRA COMPENSATION PLANCHART OF BONUS PERCENTAGES EARNED FOR VARIOUS
LEVELS OF PERFORMANCE

ACTUAL PERFORMANCE % TARGET	BONUS PERCENT OF TARGET BONUS
0 to 59.9%	0%
60 to 64.9%	20%
65 to 69.9%	30%
70 to 74.9%	40%
75 to 79.9%	50%
80 to 84.9%	60%
85 to 89.9%	70%
90 to 94.9%	80%
95 to 99.9%	90%
100 to 104.9%	100%
105 to 109.9%	110%
110 to 114.9%	120%
115 to 119.9%	130%
120 to 124.9%	140%
125 to 129.9%	150%
130 to 134.9%	160%
135 to 139.9%	170%
140 to 144.9%	180%
145 to 149.9%	190%
150 and above	200%

IDEX CORPORATION
BONUS TARGETS AND BONUS MAXIMUMS
AS RELATED TO SALARY GRADE LEVELS
OPERATING UNITS

SALARY LEVEL	TARGET BONUS	MAXIMUM BONUS
24	57%	114%
23	54%	108%
22	50%	100%
21	45%	90%
20	38%	76%
19	34%	68%
18	28%	56%
17	24%	48%
16	20%	40%
15	17%	34%
14	15%	30%

INDEX CORPORATION
MANAGEMENT INCENTIVE COMPENSATION PLAN
INDIVIDUAL INCENTIVE AWARD WORKSHEET

NAME: _____ PRIOR AWARDS: 19____ \$ _____

TITLE: _____ 19____ \$ _____

LOCATION: _____ 19____ \$ _____

PAY GRADE: _____

INDIVIDUAL BONUS CALCULATION:

(a) Base pay \$ _____

(b) Target bonus % of pay for salary grade \$ _____

(c) Target bonus dollars (a x b) \$ _____

(d) Total bonus % target per divisional performance measurement worksheet \$ _____

(e) Actual individual bonus award (c x d) \$ _____

NOTE: Special Adjustment Awards may be applied only in very unusual and infrequent circumstances, reflecting positive or negative performance by the individual which substantially affected the division's results.

Describe, if applicable:

MANAGEMENT INCENTIVE COMPENSATION PLAN
PERFORMANCE MEASUREMENT WORKSHEET

INITIAL DATE

OPERATING UNIT PREPARED BY: -----

FISCAL YEAR ENDING REVIEWED BY: (1) -----

REVIEWED BY: (2) -----

PART I - QUANTITATIVE CRITERIA

Bonus %
Target

A. PROFIT DOLLARS % ORIGINAL FORECAST

- 1. Actual Profit Dollars \$ -----
- 2. Original Forecast Profit Dollars \$ -----
- 3. Actual % Original Forecast ----- %
- 4. Bonus % Target (1) ----- % x 10% = ----- %

B. RETURN ON NET ASSETS % ORIGINAL FORECAST

- | | Actual | Forecast | | |
|------------------------|--------|----------|---|---------------------------|
| | ----- | ----- | | |
| 1. Average Net Assets | \$ | \$ | | |
| 2. Profit Dollars | \$ | \$ | | |
| 3. Profit % Net Assets | | | % | % |
| 4. Actual % Forecast | | | | % |
| 5. Bonus % Target (1) | | | % | x 10% = ----- % |

C. RETURN ON NET ASSETS % CORPORATE TARGET

- 1. Actual Return on Net Assets (from B.3. above) ----- %
- 2. Corporate Established Target Return on Net Assets ----- %
- 3. Actual % Target ----- %
- 4. Bonus % Target (1) ----- % x 10% = ----- %

D. WORKING CAPITAL PER SALES DOLLAR % FORECAST

- 1. Actual Average Working Capital Per Sales Dollar % ----- %
- 2. Original Forecast Average Working Capital Per Sales Dollar ----- %
- 3. Actual % Target ----- %
- 4. Bonus % Target (1) ----- % x 10% = ----- %

E. WORKING CAPITAL PER SALES DOLLAR % CORPORATE TARGET

- 1. Actual Average Working Capital Per Sales Dollar ----- %
- 2. Corporate Target Amount ----- %
- 3. Actual % Corporate Target ----- %
- 4. Bonus % Target (1) ----- % x 10% = ----- %

TOTAL QUANTITATIVE BONUS ----- %
=====

PART II - QUALITATIVE CRITERIA -----	Operating Unit -----	Group Exec. -----	Final -----
A. Ability to set and achieve realistic goals	-----	-----	-----
B. Timely and appropriate reaction to factors not reasonably foreseen at the beginning of the year	-----	-----	-----
C. Improvement of employee productivity and human resources development	-----	-----	-----
D. Achievement of milestones against long-term product development goals	-----	-----	-----
E. Maintenance or improvement of market share	-----	-----	-----
F. Evaluation and development of a business strategy for corporate growth	-----	-----	-----
G. Product excellence	-----	-----	-----
H. Customer perception of the business	-----	-----	-----
I. Development of manufacturing processes	-----	-----	-----
J. Business systems development	-----	-----	-----
K. Fleet-footedness	-----	-----	-----
L. Other important business considerations (list):			
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----
TOTAL	-----	-----	-----
 AVERAGE QUALITATIVE RANKING			
QUALITATIVE BONUS & TARGET (1)	----- %	----- %	----- %
QUALITATIVE BONUS & TOTAL BONUS	x .5 =====	x .5 =====	x .5 =====
TOTAL QUALITATIVE BONUS	=====	=====	=====

PART III - TOTAL BONUS PERCENT OF TARGET BONUS NOTES:

(A) TOTAL QUANTITATIVE BONUS	----- %
(B) TOTAL QUALITATIVE BONUS	----- %
TOTAL BONUS % TARGET [(A)+(B)]	----- %

NOTES:

(1) Use chart on reverse side to convert to bonus % target. 1/1/96

IDEX CORPORATION

MANAGEMENT INCENTIVE COMPENSATION PLAN

CHART OF BONUS PERCENTAGES EARNED FOR VARIOUS
LEVELS OF PERFORMANCE

ACTUAL PERFORMANCE % TARGET	BONUS PERCENT OF TARGET BONUS
0 to 59.9%	0%
60 to 64.9%	20%
65 to 69.9%	30%
70 to 74.9%	40%
75 to 79.9%	50%
80 to 84.9%	60%
85 to 89.9%	70%
90 to 94.9%	80%
95 to 99.9%	90%
100 to 104.9%	100%
105 to 109.9%	110%
110 to 114.9%	120%
115 to 119.9%	130%
120 to 124.9%	140%
125 to 129.9%	150%
130 to 134.9%	160%
135 to 139.9%	170%
140 to 144.9%	180%
145 to 149.9%	190%
150 and above	200%

INDIVIDUAL QUALITATIVE CRITERIA RATINGS

SCALE	RATING
0	Unacceptable level of performance
2	Intermediate level of performance - Low
4	Meets standard level of performance - Low Side
6	Meets standard level of performance - High Side
8	Intermediate level of performance - High
10	Difficult to see how the performance level could have been better

QUALITATIVE BONUS % TARGET CONVERSION

Overall Average Qualitative Rating	Quantitative Bonus % Target
0	0
1	0
2	40
3	60
4	80
5	100
6	120
7	140
8	160
9	180
10	200

1996 STOCK PLAN
FOR OFFICERS OF IDEX CORPORATION

IDEX CORPORATION, a corporation organized under the laws of the State of Delaware, hereby adopts this 1996 Stock Plan for Officers of IDEX Corporation. 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 Officers 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 and/or deferred compensation awards (pursuant to this Plan and any Deferred Compensation Plans that permit deferrals into accounts payable in Common Stock).

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 -- CODE

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

SECTION 1.3 -- COMMITTEE

"Committee" shall mean the Compensation Committee of the Board, appointed as provided in Section 7.1.

SECTION 1.4 -- COMMON STOCK

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

SECTION 1.5 -- COMPANY

"Company" shall mean IDEX Corporation.

SECTION 1.6 -- DEFERRAL DATE

"Deferral Date" shall mean, in connection with any Deferred Compensation Unit, the date on which any deferred compensation with respect thereto would have been paid if no deferral election had been made.

SECTION 1.7 -- DEFERRED COMPENSATION PLANS

"Deferred Compensation Plans" shall mean any deferred compensation plan adopted by the Company or any Parent Corporation or any Subsidiary that permits deferrals into accounts payable in Common Stock upon distribution thereof and in which any Officer is eligible to participate.

SECTION 1.8 -- DEFERRED COMPENSATION UNITS

"Deferred Compensation Units" shall mean the right of a Grantee to receive distributions of deferred compensation pursuant to any Deferred Compensation Plan in the form of Common Stock, determined in accordance with the terms of such Deferred Compensation Plan and Article VI of this Plan and based on the Fair Market Value on the Deferral Date.

SECTION 1.9 -- DIRECTOR

"Director" shall mean a member of the Board.

SECTION 1.10 -- DIVIDEND EQUIVALENTS

"Dividend Equivalents" shall mean Deferred Compensation Units equal to (i)(a) the cash dividend paid on one share of Common Stock, multiplied by (b) the number of Deferred Compensation Units credited to the account of any Grantee as of each applicable dividend record date, divided by (ii) the Fair Market Value on the related dividend payment date.

SECTION 1.11 -- 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 1.12 -- EXCHANGE ACT

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

SECTION 1.13 -- FAIR MARKET VALUE

"Fair Market Value" shall mean the fair market value of a share of the Common Stock as of a given date measured as (i) the closing price of a share of the Common Stock on the principal exchange on which shares of the Common Stock are then trading, if any, on the day previous to such date, or, if shares were not traded on the day previous to such date, then on the next preceding trading day during which a sale occurred; or (ii) if such Common Stock is not traded on an exchange but is quoted on NASDAQ or a successor quotation system, (1) the last sales price (if the Common Stock is then listed as a National Market Issue under the NASD National Market System) or (2) the mean between the closing representative bid and asked prices (in all other

cases) for the Common Stock on the day previous to such date as 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 1.14 -- GRANTEE

"Grantee" shall mean an Officer to whom Deferred Compensation Units are awarded pursuant to this Plan.

SECTION 1.15 -- INCENTIVE STOCK OPTION

"Incentive Stock Option" shall mean an Option which conforms to the applicable provisions of Section 422 of the Code and which is designated as an Incentive Stock Option by the Committee.

SECTION 1.16 -- NON-QUALIFIED OPTION

"Non-Qualified Option" shall mean an Option which is not designated as an Incentive Stock Option by the Committee.

SECTION 1.17 -- 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 1.18 -- OPTION

"Option" shall mean a stock option granted under Article III of this Plan. An Option granted under this Plan shall, as determined by the Committee, be either a Non-Qualified Option or an Incentive Stock Option.

SECTION 1.19 -- OPTIONEE

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

SECTION 1.20 -- 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 1.21 -- PLAN

"Plan" shall mean this 1996 Stock Plan for Officers of IDEX Corporation.

SECTION 1.22 -- RULE 16B-3

"Rule 16b-3" shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended in the future.

SECTION 1.23 -- SECRETARY

"Secretary" shall mean the Secretary of the Company.

SECTION 1.24 -- SECURITIES ACT

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

SECTION 1.25 -- 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 1.26 -- TERMINATION OF EMPLOYMENT

"Termination of Employment" shall mean (unless otherwise specified in any applicable Deferred Compensation Plan) 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 or Grantee) when the employee-employer relationship between the Optionee or Grantee 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; provided, however, that, with respect to Incentive Stock Options, a leave of absence shall constitute a Termination of Employment if, and to the extent that, such leave of absence interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section.

ARTICLE II

GENERAL CONDITIONS

SECTION 2.1 -- SHARES SUBJECT TO PLAN

The shares of stock subject to Options and awards of Deferred Compensation Units shall be shares of the Common Stock. The aggregate number of such shares which may be issued upon exercise of Options and distributed pursuant to Deferred Compensation Units under the Plan shall not exceed 1,000,000 shares (of which no more than 400,000 shares may be issued pursuant to Deferred Compensation Units). Furthermore, the maximum number of shares of Common Stock which may be subject to Options granted or Deferred Compensation Units issued under the Plan to any individual in any calendar year shall not exceed 200,000, and the method of counting such shares shall conform to any requirements applicable to performance-based compensation under Section 162(m) of the Code. The shares of Common Stock issuable upon exercise of such Options or upon distributions with respect to any such Deferred Compensation Units may be either previously authorized and unissued shares or treasury shares.

SECTION 2.2 -- UNEXERCISED OPTIONS AND UNDISTRIBUTED SHARES

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 either optioned or awarded 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 or which are distributable pursuant to Deferred Compensation Units, 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 and distributed with respect to Deferred Compensation Units hereunder; provided, however, that in the case of Incentive Stock Options, each such adjustment shall be made in such manner as not to constitute a "modification" within the meaning of Section 424(h)(3) of the Code. In the event of an adjustment contemplated by this Section 2.3 in any outstanding Options or Deferred Compensation Units, the Committee shall make an appropriate and equitable adjustment to the end that after such event the Optionee's or Grantee's proportionate interest shall be maintained as before the occurrence of such event. Such adjustment in any outstanding Options or Deferred Compensation Units shall be made without change in the total price applicable to the Option or the unexercised portion of the Option or the aggregate value of undistributed Common Stock with respect to any Deferred Compensation Units (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 or the number of shares of Common Stock distributable pursuant to Deferred Compensation Units to reflect such diminution. Any such adjustment made by the Committee shall be final and binding upon all Optionees, Grantees, 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 and Deferred Compensation Units 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 upon distribution pursuant to any Deferred Compensation Units, 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 or upon distribution pursuant to the Deferred Compensation Units; and

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

SECTION 2.5 -- MERGER, CONSOLIDATION, ACQUISITION, LIQUIDATION OR DISSOLUTION

Notwithstanding the provisions of Section 2.3, 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 the merger or consolidation of the Company with or into another corporation, the acquisition by another entity, person or group of all or substantially all of the Company's assets or 80% or more of the Company's then outstanding voting stock 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. The treatment of Deferred Compensation Units and the shares distributable with respect to such Units upon the occurrence of any Control Event shall be governed by the applicable Deferred Compensation Plan.

SECTION 2.6 -- RIGHTS AS SHAREHOLDERS

The holders of Options and Deferred Compensation Units 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 or distributable pursuant to a Deferred Compensation Unit unless and until certificates representing such shares have been issued by the Company to such holders.

SECTION 2.7 -- TRANSFER RESTRICTIONS

Unless otherwise approved in writing by the Committee, no shares acquired upon exercise of any Option by any Officer may be sold, assigned, pledged, encumbered or otherwise transferred until at least six months have elapsed from (but excluding) the date that such Option was granted. The Committee, in its absolute discretion, may impose such other restrictions on the transferability of the shares purchasable upon the exercise of an Option or distribution pursuant to Deferred Compensation Units as it deems appropriate. Any such other restriction shall be set forth in the respective Stock Option Agreement or award of Deferred Compensation Units and may be referred to on the certificates evidencing such shares. The Committee may require an Officer to give the Company prompt notice of any disposition of shares of Common Stock acquired by exercise of an Incentive Stock Option within (i) two years from the date of granting such Option to such Officer or (ii) one year after the transfer of such shares to such Officer. The Committee may direct that the certificates evidencing shares acquired by exercise of an Option refer to such requirement to give prompt notice of disposition.

SECTION 2.8 -- NO RIGHT TO CONTINUED EMPLOYMENT

Nothing in this Plan or in any Stock Option Agreement or Deferred Compensation Plan shall confer upon any Optionee or Grantee 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 or Grantee at any time for any reason whatsoever, with or without cause.

SECTION 2.9 -- CERTAIN TIMING REQUIREMENTS

Unless otherwise determined by the Committee based upon Rule 16b-3 as it may then be in effect, (i) shares of the Common Stock issuable to an Optionee upon exercise of an Option may be used to satisfy the Option price or the tax withholding consequences of such exercise only (A) during the period beginning on the third business day following the date of release of the quarterly or annual summary statement of sales and earnings of the Company and ending on the twelfth business day following such date or (B) pursuant to an irrevocable written election by such Optionee to use shares of the Common Stock issuable to such Optionee upon exercise of such Option to pay all or part of the Option price or the withholding taxes (subject to the approval of the Committee) made at least six months prior to the payment of such Option price or withholding taxes, and (ii) an election by a Grantee to be awarded Deferred Compensation Units shall be an irrevocable written election made at least six months prior to the Deferral Date with respect to the compensation to be deferred.

ARTICLE III**GRANTING OF OPTIONS****SECTION 3.1 -- ELIGIBILITY**

Any Officer of the Company shall be eligible to be granted Options under the Plan, as provided in Section 3.3.

SECTION 3.2 -- QUALIFICATION OF INCENTIVE STOCK OPTIONS

No Incentive Stock Option shall be granted unless such Option, when granted, qualifies as an "incentive stock option" under Section 422 of the Code. Without limitation of the foregoing, no person shall be granted an Incentive Stock Option under this Plan if such person, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. Any Incentive Stock Option granted under this Plan may be modified by the Committee to disqualify such option from treatment as an "incentive stock option" under Section 422 of the Code.

SECTION 3.3 -- GRANTING OF OPTIONS

(a) The Committee shall from time to time, in its absolute discretion:

(i) Determine and select from among the Officers (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 Officers; and

(iii) Determine whether such Options are to be Incentive Stock Options or Non-Qualified Options; and

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

(b) Upon the selection of an Officer 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 Officer that the Officer surrender for cancellation some or all of the unexercised Options which have been previously granted to such Officer. 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. Stock Option Agreements evidencing Incentive Stock

Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

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), 4.3(c) and 8.3, 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), 4.3(c) and 8.3, 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 unless the Committee otherwise provides.

(d) To the extent that the aggregate Fair Market Value with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by an Optionee during any calendar year (under the Plan and all other incentive stock option plans of the Company and any Parent Corporation or any Subsidiary) exceeds \$100,000, such Options shall be treated as Non-Qualified Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted. For purposes of this Section 4.3(d), the Fair Market Value shall be determined as of the time the Option with respect to such stock is granted.

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 Sections 4.4(a) and 4.4(c), the Committee shall provide, in the terms of each individual Option, when such Option expires and becomes unexercisable.

(c) The term of any Incentive Stock Option shall not be more than five years from such date if the Incentive Stock Option is granted to an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of capital stock of the Company or any Parent Corporation or any Subsidiary.

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 personal representative or by any person empowered to do so under the deceased Optionee's will or under the then applicable laws of descent and distribution. To the extent Rule 16b-3 as then in effect permits exercises of Options other than as provided in Section 5.1, the Committee may by resolution amend this Section 5.1 or the terms of any outstanding Option to reflect such other exercise limitation requirements, in the Committee's discretion.

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; and

(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) subject to the timing requirements of

Section 2.9, 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 exercised 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 (including then-existing interpretations of Rule 16b-3), 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 exercise price and withholding taxes to the Company and delivers the excess funds less commission 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

DEFERRED COMPENSATION UNITS

SECTION 6.1 -- GRANTING OF DEFERRED COMPENSATION UNITS

To the extent elected by any Grantee and permitted by any Deferred Compensation Plan, the Committee may award Deferred Compensation Units to any Grantee in lieu of all or any portion of the compensation deferred by the Grantee, including without limitation, salary and bonuses, that would otherwise be payable to such Grantee in cash. Deferred Compensation Units may be awarded, in the discretion of the Committee, either (i) with respect to any deferral by any Grantee who so elects, or (ii) with respect to all or a specified maximum portion of the amount of compensation deferred or to be deferred under any Deferred Compensation Plan for any fiscal year or longer period by any Grantee or group of Grantees who may deliver one or more irrevocable written elections to the Company, subject to the timing requirements of Section 2.9, to receive Common Stock in lieu of all or such portion of such cash compensation as shall be specified in such election.

SECTION 6.2 -- EFFECT OF GRANTS

The number of shares of Common Stock distributable pursuant to each Deferred Compensation Unit shall be charged against the maximum number of shares of Common Stock that may be issued under this Plan at any time. The number of shares of Common Stock to be distributed to a Grantee at such time as such distribution is to be made consistent with the terms of the applicable Deferred Compensation Plan and such deferral, and to be charged against the number of shares issuable under this Plan at any time, shall equal the number of Deferred Compensation Units credited to the account of such Grantee, subject to Section 2.1.

SECTION 6.3 -- ACCOUNTING; FRACTIONAL UNITS

(a) The number of Deferred Compensation Units credited to the account of any Grantee shall be rounded to the nearest one-thousandth of a Unit. The account to which Deferred Compensation Units are credited shall be an unsecured general obligation of the Company. The Company will maintain records of the number of Deferred Compensation Units for the account of each officer, in part, to prevent an issuance of shares of Common Stock in excess of the authorized shares.

(b) Notwithstanding paragraph (a) above, upon distribution of any Common Stock represented by Deferred Compensation Units, the number of shares shall be rounded downward to the nearest whole share and no fractional shares shall be issued. Fractional Units remaining after the final distribution to any Grantee shall be cancelled without obligation to the Grantee.

(c) The number of Deferred Compensation Units awarded to each Grantee, together with any conditions applicable thereto pursuant to this Plan, shall be specified in writing to each Grantee by the Company after each Deferral Date.

ARTICLE VII

ADMINISTRATION

SECTION 7.1 -- COMPENSATION COMMITTEE

The Compensation Committee shall consist of two or more Directors, appointed by and holding office at the pleasure of the Board, each of whom is a "disinterested person" as defined by Rule 16b-3 to the extent required thereby. 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 7.2 -- 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, the Options and the Deferred Compensation Plans pursuant to which Deferred Compensation Units are granted 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. Any such interpretations and rules in regard to Incentive Stock Options shall be consistent with the basic purpose of the Plan to grant "incentive stock options" within the meaning of Section 422 of the Code. 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 Rule 16b-3 or

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 7.3 -- 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 7.4 -- 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, Grantees, 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 or Deferred Compensation Units, and all members of the Committee shall be fully protected by the Company in respect to any such action, determination or interpretation.

ARTICLE VIII

OTHER PROVISIONS

SECTION 8.1 -- OPTIONS AND UNITS NOT TRANSFERABLE

No Option, Deferred Compensation Unit or interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee, Grantee or their respective 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 8.1 shall prevent transfers by will or by the applicable laws of descent and distribution. To the extent Rule 16b-3 as then in effect permits transfers of Options or Units other than as provided in this Section 8.1, the Committee may by resolution amend this Section 8.1 and the terms of outstanding Options or awards of Deferred Compensation Units to reflect such other transfer limitation requirements, in the Committee's discretion.

SECTION 8.2 -- 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. However, unless otherwise determined by the Board and permitted by Rule 16b-3 as then in effect, without approval of the Company's shareholders given within 12 months before or after the action by the Committee, no action of the Committee may, except as provided in Section 2.3, increase by more than 10% any limit imposed in Section 2.1 on the maximum number of shares which may be issued on exercise of Options or distributed pursuant to Deferred Compensation Units, materially modify the eligibility

requirements of Section 3.1, reduce the minimum Option price requirements of Section 4.2(a) or extend the limit imposed in this Section 8.2 on the period during which Options may be granted or amend or modify the Plan in a manner requiring shareholder approval under Rule 16b-3 or the Code. Neither the amendment, suspension nor termination of the Plan shall, without the consent of the holder of an Option or Deferred Compensation Unit, impair any rights or obligations under any Option or Deferred Compensation Unit theretofore granted. No Option or Deferred Compensation Unit (except Dividend Equivalents) may be granted during any period of suspension nor after termination of the Plan, and in no event may any Option or Deferred Compensation Unit (except Dividend Equivalents) be granted under this Plan after the first to occur of the following events:

(a) The expiration of ten years from the date the Plan is adopted by the Board; or

(b) The expiration of ten years from the date the Plan is approved by the Company's shareholders under Section 8.3.

SECTION 8.3 -- APPROVAL OF PLAN BY SHAREHOLDERS

This Plan will be submitted for the approval of the Company's shareholders within 12 months after the date of the Board's initial adoption of the Plan. Options and Deferred Compensation Units may be granted prior to such shareholder approval; provided, however, that such Options or Deferred Compensation Units shall not be exercisable prior to the time when the Plan is approved by the shareholders; provided, further, that if such approval has not been obtained at the end of said 12-month period, all Options and Deferred Compensation Units previously granted under the Plan shall thereupon be cancelled and become null and void. The Company shall take such actions with respect to the Plan as may be necessary to satisfy the requirements of Rule 16b-3(b).

SECTION 8.4 -- 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 8.5 -- TITLES

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

SECTION 8.6 -- CONFORMITY TO SECURITIES LAWS AND OTHER STATUTORY REQUIREMENTS

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, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and Options and Deferred Compensation Units shall be granted and may be exercised or distributed, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, Options and Deferred Compensation

Units granted hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations. Without limitation of the foregoing and notwithstanding any other provision of this Plan, any Option or Deferred Compensation Units granted to an Officer who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule, and this Plan shall be deemed amended to the extent necessary to conform to such limitations. Furthermore, notwithstanding any other provision of this Plan, any Option or award intended to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as performance-based compensation as described in Section 162(m)(4)(C) of the Code, and this Plan shall be deemed amended to the extent necessary to conform to such requirements.

SECTION 8.7 -- 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).

AMENDED AND RESTATED IDEX CORPORATION
DIRECTORS DEFERRED COMPENSATION PLAN

ARTICLE I

BACKGROUND, PURPOSE, AND EFFECTIVE DATE

IDEX Corporation, a Delaware corporation (the "Corporation"), by resolution of its Board of Directors, adopted the IDEX Corporation Directors Deferred Compensation Plan (the "Plan"), effective as of January 1, 1993, for the benefit of the non-employee members of its Board of Directors (the "Directors").

In order to make certain changes to the Plan, this Amended and Restated IDEX Corporation Directors Deferred Compensation Plan has been adopted by a resolution of the Board of Directors of IDEX Corporation, effective as provided below (the "Amended Plan").

SECTION 1.1 -- BACKGROUND AND PURPOSE OF THE PLAN

The Corporation wishes to provide members of its Board of Directors who are not employees of the Corporation with the opportunity to defer payment of all of the compensation they receive in a particular year or years for serving as Directors.

SECTION 1.2 -- EFFECTIVE DATE AND TERM

The Plan shall become effective as of January 1, 1997, and shall continue until such time as it is terminated by resolution of the Board of Directors in accordance with Article V. The Plan as in effect prior to the date of approval of the Amended Plan by the shareholders of the Corporation shall remain in effect through December 31, 1996.

SECTION 1.3 -- SHARES SUBJECT TO PLAN

The shares of stock subject to Deferred Compensation Units shall be shares of the Corporation's Common Stock. The aggregate number of such shares which may be distributed pursuant to Deferred Compensation Units under the Amended Plan shall not exceed 50,000 shares.

ARTICLE II

CONTRIBUTIONS

SECTION 2.1 -- DEFERRED COMPENSATION

With respect to each quarter, beginning with the first quarter of 1997 and continuing during the period in which this Plan remains in effect, the Corporation shall credit with all of the amount of future compensation as such Director has elected in writing to defer under the Amended Plan (pursuant to the form attached hereto and incorporated herein by this reference) and carried in the accounts provided for in Section 3.1 (the "Deferred Amounts"). An election to defer shall be made prior to the calendar year for which the compensation so deferred is earned, and shall be irrevocable with respect to the calendar year to which it applies and shall remain in effect

for future calendar years unless a new election is made by such Director effective with respect to a calendar year and delivered to the Corporation by the December 31 preceding such calendar year; provided, however, that, to the extent necessary for such election or new election and related deferrals to qualify for the exemption specified by Rule 16b-3 under the Securities Exchange Act of 1934 as then in effect ("Rule 16b-3"), no such election or new election may be made less than six months (or such other period as Rule 16b-3 may specify) prior to the first date on which such deferred compensation would have been paid if no deferral election were made, and such election or new election shall otherwise comply with any applicable requirements for exemption under Rule 16b-3. The crediting of the Deferred Amounts under this Amended Plan shall be made on the first day of the quarter after the amounts are earned, or such other date on which such amounts would otherwise have been paid to the Director. Any amounts credited to the Deferred Compensation Account under the Plan prior to January 1, 1997 (the "Prior Deferred Amounts") shall be credited to the Interest-Bearing Account as set forth in Section 3.1.

ARTICLE III

ACCOUNTS AND INVESTMENT

SECTION 3.1 -- THE DEFERRED AMOUNTS

The Corporation shall establish on its books the necessary accounts to accurately reflect the Corporation's liability to each Director who has deferred compensation under the Amended Plan. To each account shall be credited, as applicable, Deferred Amounts and Dividend Equivalents (as defined below) on the common stock, par value \$.01 per share, of the Corporation (the "Common Stock") and interest. The Corporation shall maintain separate subaccounts for each annual compensation deferral election in order to accurately reflect the Benefits (as defined in Section 4.1) distributable in a particular distribution year. Payments to the Director under the Amended Plan shall be debited to the appropriate accounts.

a. **INTEREST-BEARING ACCOUNT.** Compensation which a Director has elected to defer into an Interest-Bearing Account shall be credited to the Interest-Bearing Account on the same date that it would otherwise be payable to such Director (the "Deferral Date"). Deferred Amounts carried in this account shall earn interest from the Deferral Date to the date of payment. The Deferred Amount allocated to the Interest-Bearing Account shall be adjusted no less often than quarterly to reflect hypothetical earnings for the quarter equal to the U.S. Government Securities Treasury Constant Maturities with 10 year maturities as of the December 1 of the calendar year preceding the quarter for which the earnings are credited plus 200 basis points, compounded at least annually. Such adjustments shall be made until no amounts remain in the Director's Interest-Bearing Account.

b. **DEFERRED COMPENSATION UNITS ACCOUNT.** A Director who has elected to defer compensation into a Deferred Compensation Units Account shall have the amount of such compensation credited to his or her account as of the Deferral Date, and such Deferred Amount shall also be converted into a number of Deferred Compensation Units as of the Deferral Date by dividing the Deferred Amount by the Fair Market Value of the Corporation's Common Stock as of the Deferral Date. For purposes of the Plan, "Fair Market Value" shall mean the fair market value of a share of the Common Stock as of a given date measured as (i) the closing price of a share of the Common Stock on the principal exchange on which shares of the Common Stock are then trading, if any, on the day previous to such date, or, if shares were not traded on the day previous to such date, then on the next preceding trading day during which a sale occurred; or (ii) if such Common Stock is not traded on an

exchange but is quoted on NASDAQ or a successor quotation system, (1) the last sales price (if the Common Stock is then listed as a National Market Issue under the NASD National Market System) or (2) the mean between the closing representative bid and asked prices (in all other cases) for the Common Stock on the day previous to such date as 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 Compensation Committee of the Board acting in good faith.

If Deferred Compensation Units exist in a Director's account on a dividend record date for the Common Stock, Dividend Equivalents shall be credited to the Director's account on the corresponding dividend payment date, and shall be converted into the number of Deferred Compensation Units which could be purchased, at a price equal to the Fair Market Value of the Common Stock as of such dividend payment date, with the amount of Dividend Equivalents so credited. For purposes of the Amended Plan, "Dividend Equivalent" shall mean an amount equal to the cash dividend payable on any dividend payment date on one share of Common Stock multiplied by the number of Deferred Compensation Units in the Deferred Compensation Units Account as of the dividend record date.

In the event of any change in the Corporation's Common Stock outstanding, by reason of any stock split or dividend, recapitalization, merger, consolidation, combination or exchange of stock or similar corporate change, such equitable adjustments, if any, by reason of any such change, shall be made in the number of Deferred Compensation Units credited to each Director's Deferred Compensation Units Account.

c. TRANSFERS BETWEEN ACCOUNTS. If and only if permissible under any applicable provisions of Rule 16b-3 as then in effect without affecting a director's disinterested status thereunder, upon advice of counsel, transfers from the Interest-Bearing Account to the Deferred Compensation Units Account may be made at any time requested by the Director on a date specified in a notice to the Corporation; provided, however, that, to the extent necessary for such transfer to qualify for the exemption specified by Rule 16b-3, the date such notice is received by the Corporation must be at least six months (or such other period as Rule 16b-3 may specify) prior to the date specified for such transfer and such transfer shall otherwise comply with any applicable requirements for exemption under Rule 16b-3. No transfers may be made from the Deferred Compensation Units Account to the Interest-Bearing Account.

SECTION 3.2 -- VESTING

At all times a Director shall have a 100% nonforfeitable right to the amounts credited to his or her accounts.

ARTICLE IV

BENEFITS

SECTION 4.1 -- AFTER STATED PERIOD OR UPON CESSATION OF SERVICE AS DIRECTOR

The balance in the Interest-Bearing Account, including adjustments that continue to be made pursuant to Article III, shall be paid in cash by the Corporation, and the number of shares of Common Stock equal to the number of Deferred Compensation Units (rounded down to the nearest whole unit) (together, the balance in the

Interest-Bearing Account and the Deferred Compensation Units are referred to as the "Benefit") shall be paid or distributed, as the case may be, to the Director on the January 1 following the number of deferral years elected by the Director (either five or ten) or following the Director's cessation of service as Director for any reason other than death (the date of which shall be referred to as the "Date of Cessation"), in one lump sum or in five substantially equal annual payments with respect to the balance in the Interest-Bearing Account and five substantially equal numbers of shares of Common Stock with respect to Deferred Compensation Units, as selected by a Director. Elections pursuant to this Section shall be made at the same time and in the same manner as election to defer is made pursuant to Section 2.1.

SECTION 4.2 -- UPON DEATH

In the event of a Director's death, the Corporation shall pay the Benefit, or in the event of a Director's death after commencement of the payment of the Benefit under Section 4.1, the remaining balance of the Benefit, in one lump sum as soon as practicable following the death of the Director or to the Director's Beneficiary.

SECTION 4.3 -- CHANGE IN CONTROL

In the event 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 common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof) redeemed by the Corporation or purchased by any person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor (except any such transaction solely for the purpose of changing the Corporation's domicile or which does not change the ultimate beneficial ownership of the equity interests in the Corporation), or (b) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation constituting such change of management or control, the Corporation shall pay the Benefit to the Director in one lump sum. In the transaction giving rise to such change of management or control was approved in advance by a majority of the Board of Directors, payment of the Benefit shall be made at the closing of such transaction. If the transaction giving rise to the change of management or control was not so approved, payment of the Benefit shall be made immediately upon the occurrence of the event or transaction giving rise to the change of management or control.

ARTICLE V

AMENDMENT, SUSPENSION, OR TERMINATION

SECTION 5.1 -- AMENDMENT, SUSPENSION, OR TERMINATION

The Board of Directors may amend, suspend or terminate the Amended Plan, in whole or in part, at any time and from time to time by resolution adopted at a regular or special meeting of the Board of Directors, and only in such manner.

SECTION 5.2 -- NO REDUCTION

No amendment, suspension or termination shall operate to adversely affect the Benefit otherwise available to a Director if the Director had ceased being a Director as of the effective date of such amendment, suspension, or termination. Any Benefit determined as of such date shall continue to be adjusted as provided in Article III and payable as provided in Article IV.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1 -- BENEFICIARY

"Beneficiary" shall mean any one or more persons, corporation, trusts, estates, or any combination thereof, last designated by a Director to receive the Benefit provided under this Amended Plan. Any designation made hereunder shall be revocable, shall be in writing either on a facsimile of the form annexed hereto as Schedule 1 or in a written instrument containing the information requested in Schedule 1, and shall be effective when delivered to the Corporation at its principal office. If the Corporation, in its sole discretion, determines that there is not a valid designation, the Beneficiary shall be the executor or administrator of the Director's estate.

SECTION 6.2 -- NONASSIGNABILITY

The interest of any person under this Amended Plan (other than the Corporation) shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, attachment or encumbrance, or to the claims of creditors of such person, and any attempt to effectuate any such actions shall be void.

SECTION 6.3 -- INTEREST OF DIRECTOR

The Director and any Beneficiary shall, in respect to accounts and any Benefit to be paid, shall be and remain simply a general unsecured creditor of the Corporation in the same manner as any other creditor having a general claim for compensation, if and when the Director's or Beneficiary's rights to receive payments shall mature and become payable. At no time shall the Director be deemed to have any right, title or interest, legal or equitable, in any asset of the Corporation, including, but not limited to, any Common Stock or investments which represent amounts credited to the Interest-Bearing Account.

SECTION 6.4 -- WITHHOLDING

The Corporation shall have the right to deduct or withhold from the Benefits paid under this Amended Plan or otherwise all taxes which may be required to be deducted or withheld under any provision of law (including, but not limited to, Social Security payments, income tax withholding and any other deduction or withholding required by law) now in effect or which may become effective any time during the term of this Amended Plan.

SECTION 6.5 -- FUNDING

This Amended Plan shall not be a funded plan. The Corporation shall not set aside any funds, or make any investments or set aside Common Stock, for the specific purpose of making payments under the Amended

Plan. All Benefits paid under the Amended Plan shall be paid from the general assets of the Corporation. Benefits payable under the Amended Plan may be reflected on the accounting records of the Corporation, but such accounting shall not be construed to create or require the creation of a trust, custodial or escrow account.

SECTION 6.6 -- EXCLUSIVITY OF PLAN

This Amended Plan is intended solely for the purpose of deferring compensation to the Directors to the mutual advantage of the parties. Nothing contained in this Amended Plan shall in any way affect or interfere with the right of a Director to participate in any other benefit plan in which he or she may be entitled to participate.

SECTION 6.7 -- NO RIGHT TO CONTINUED SERVICE

This Amended Plan shall not confer any right to continued service on a Director.

SECTION 6.8 -- NOTICE

Each notice and other communication to be given pursuant to this Amended Plan shall be in writing and shall be deemed given only when (a) delivered by hand, (b) transmitted by telex or telecopier (provided that a copy is sent at approximately the same time by registered or certified mail, return receipt requested), (c) received by the addressee, if sent by registered or certified mail, return receipt requested, or by Express Mail, Federal Express or other overnight delivery service, to the Corporation at its principal office and to a Director at the last known address of such Director (or to such other address or telecopier number as a party may specify by notice given to the other party pursuant to this Section).

SECTION 6.9 -- CLAIMS PROCEDURES

If a Director or the Director's Beneficiary does not receive benefits to which he or she believes he or she is entitled, such person may file a claim in writing with the Corporation. The Corporation shall establish a claims procedure under which:

(a) the Corporation shall be required to provide adequate notice in writing to the Director or the Beneficiary whose claim for benefits has been denied, setting forth specific reasons for such denial, written in a manner calculated to be understood by the Director or the Beneficiary; and

(b) the Corporation shall afford a reasonable opportunity to the Director or the Beneficiary whose claim for Benefits has been denied for a full and fair review by the Corporation of the decision denying the claim.

SECTION 6.10 -- ILLINOIS LAW CONTROLLING

This Amended Plan shall be construed in accordance with the laws of the State of Illinois.

SECTION 6.11 -- BINDING ON SUCCESSORS

This Amended Plan shall be binding upon the Directors and the Corporation, their heirs, successors, legal representatives and assigns.

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